"Your Will and Your Estate" (Page 10)

THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXX Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, NOVEMBER 14, 1936 10c a Copy; $5.00 a Year No. 46

The Nation's Business

Western Provinces Need Aid on Debt Refunding
Loan Council Plan Is Needed
Key Issue for Conference at Ottawa
Hepburn Moves to Curb Duplication
"The Yellow Book" Aberhart Has Not Repudiated It

The Problem of Western Debts

THERE is more than one lesson to be drawn from the drastic debt-purging legislation that Premier Aberhart put through the Alberta legislature. But a very important one is that psychological factors often count for more than clear, logical reasoning in these days.

The lending institutions were pursuing a policy of individual debt settlement that was slowly but surely reducing the burden of farm debt in the West. There was every intention of generosity and fair play on the part of most of the companies. They sought to avoid final settlements based upon abnormal conditions and they sought also to frame each settlement to the individual case.

Logical, reasonable, correct as this plan was, it failed to meet the psychological and political needs of the situation. The farmers were restless and their discontent was kept at the boil by political agitators. Mr. Aberhart capitalized this discontent with his Debt Reduction and Settlement Act.

Had the lending institutions done a year ago, all over the West, what they have since done in Saskatchewan and Manitoba the Alberta legislation would never have been passed. Had it been done, along with some other things not in their control, two years ago Aberhart would never have come to power.

* * *

THAT lesson is pretty clear. At once the question arises: to what other emergent western situations can the lesson be applied? And such a situation does present itself; the problem of the debt burdens of the western provinces, with which is allied the problem of the debt burdens of western municipalities.

In Alberta Mr. Aberhart has taken matters into his own hands, has acted abruptly and with demagogic purpose in proclaiming a horizontal cut in interest on all Alberta bonds. Mr. Aberhart in financial matters is a most impractical visionary. He does not see that what he has done is to shatter the credit of his province. He has cut bond interest in two but that does not mean that he can borrow at 2½%. As a matter of fact he cannot borrow at any price. A debt reduction achieved on such terms is like getting rid of an aching tooth by slicing off the jaw.

* * *

THE Alberta interest rate cut underscores the obvious necessity for Ottawa to move rapidly in setting up an orderly plan for the general refunding of the debts of the four western provinces at a lower rate of interest. An orderly plan is needed to ensure that there will not be disorderly financial conduct in the three provinces other than Alberta.

The effort to set up a Loan Council fell through last winter. Mr. Aberhart helped to kill it when he backed down from his early adherence to the scheme at the dictates of his more irresponsible followers. But Saskatchewan, Manitoba and British Columbia are entitled to Dominion Government co-operation in a debt refunding programme. They are now getting active assistance in the form of relief advances at low rates of interest. But the burden of debt charges is still too high, still a danger to political security.

These figures, from the Elliott-Walker report on Alberta, are highly significant. They represent the percentage of current income that went for debt charges in each of the three prairie provinces five years ago and in the last year for which figures are fully available:

Alberta:	
1930-31	38.2%
1934-35	52.0%
Saskatchewan:	
1930-31	27.4%
1933-34	51.0%
Manitoba:	
1930-31	25.7%
1934-35	47.5%

* * *

THE present situation is simply this: that if a debt refunding plan is not worked out for the western provinces then the present governments will have great difficulty in holding back the radical forces which will seek to seize the reins of power on the promise that, if they are elected, they will do what Alberta has done; cut bond interest and tell the "money power" to go to the devil.

The pattern of the debt refunding is something to be worked out by statesmen and their advisers. The Australian, Newfoundland and British plans are all available as precedents although not a single one of them is entirely applicable to the Canadian situation. Probably the best ultimate plan may prove to be an exchange of all western bonds for new issues, guaranteed either by the Dominion or by the Dominion in association with the participating

(Continued on page 2, col. 3)

Social Credit Dawn Finds Alberta Near Political Crack-up

Excited Efforts Made to Win New Believers in B. C. and Elsewhere — Debt, Interest Cuts Fend Off Crisis

BUT ABERHART MAY SUCCEED ABERHART

Crediter Groups Charged With Laggardness in Anticipating Insistent Western Demand for Dramatic Gesture to Reduce Private, Public Debt Burden

By STAFF EDITOR

EDMONTON.—Politically astute Albertans today are looking for an early collapse of the Alberta Social Credit Government. At the moment the Government is politically strong enough but its crisis is "just around the corner."

Mr. Aberhart has averted a crack-up of his Government by promises to speed the dawn of the moneyless millennium; by cutting interest on provincial bonds, which has given him money to carry on with, even though at the expense of destruction of the province's power to borrow; by his drastic debt adjustment scheme, which was a diversion from the Social Credit programme, but one that won him great temporary popularity among the rank and file of debt-burdened farmers.

Could Be Re-Elected

At the moment Mr. Aberhart could easily be re-elected with a sweeping majority. There is no very strong organized opposition to him. And the people out in the country—while beginning to have their doubts—are not as disillusioned about Social Credit as some of the members of his own cabinet. But the government is weakening daily. Its foreordained doom will come when the people realize that it cannot deliver the goods; when they learn that all they can expect from Aberhart is tax bills and not dividend cheques. That day is one that Mr. Aberhart cannot long postpone.

If and when 350,000 Social Credit registrants are asked to deliver their "surplus" crops to the State Credit House there will be a political crisis. If and when Mr. Aberhart tries to pay even $5 a month Basic Dividends in scrip or something equally unacceptable there will be another.

Social Credit fever itself has subsided considerably in Alberta. The masses are still for Aberhart. His voice, his personality, still controls them. But it takes organization and the loyalty of deputies and lieutenants to hold a government together. And here the Social Credit Government is fighting a losing battle. Only the most ignorant and spellbound of the voters retain unimpaired their enthusiasm and confidence in the regimented Utopia promised them by Aberhart. Aberhart seems to be fully conscious of the disintegration that has set in. That goes a long way in explaining his vacillations on the air; his exaggerations and intemperate criticisms of the church and press and his subsequent denials of his statements.

It probably explains the excited efforts to organize Social Credit parties in B. C. and elsewhere. Social Credit needs a new crop of believers to replace the doubting disciples.

Denials Do Not Go Over

Some months ago The Financial Post remarked that everything Mr. Aberhart said was good for two news stories: one when he said it and one when he denied that he had said it. That still holds true. His denials may go over with his radio audiences. But newspapermen who quote him are careful; Aberhart's addresses are taken down not by one reporter but by two or three for a single paper.

When Aberhart is quoted in one of the leading daily papers of Alberta as having said something it may now be taken as pretty certain that he said it. Possibly that is why he has abolished the press table at his Bible meetings in Edmonton. The newspapers are told to find seats in the audience if they want to listen. Aberhart probably hopes they will be crowded out of the meetings. But newspapers have radios. And there is such a thing as making a recording of a radio address coming over the air.

Aberhart's absurdities spoken by his own voice will be repeated in years to come as these recordings are put on for the edification or amusement of students of mob mania.

Attacks on Churches

Aberhart has greatly weakened his position by tactless attacks upon the churches. Because of the rather unorthodox nature of some of his Biblical interpretations, during his régime as head of the Prophetic Bible Institute in Calgary, there was probably a predisposition on the part of the clergy to look upon him with lifted eyebrows. But his Social Credit mania went largely unnoticed in the pulpit utterances of other denominations until he passed the extreme and objectionable legislation of the late summer session of the legislature when all standards of public honesty and social morality were violated.

This legislation was more than many of the clergy could stand. Many of them challenged the acts of the government. Aberhart came back with bitter criticism of the church, using language that was ill-tempered and unjust, attacking them as he attacked the "money power." He has denied some of the statements attributed to him but The Financial Post has consulted the stenographic reports of one of his broadcasts which bears out to the letter the newspaper report of one of his intemperate attacks upon the clergy.

"Voice of the Church"

Now a group of clergymen are running a series of opposition broadcasts under the title of "The Voice of the Church." Originally running for 30 minutes each they are being stretched to 45 minutes and are building up an enormous following in the province among churchgoers who have resented the new religious and economic lunacies to which the people have been subjected.

Some day soon will come the crack-up of the government, as at present established. The fever will run its course; there will come the crisis. After the crisis the patient either dies or gets better. Alberta will probably get better and get better quickly.

"Now or Never"

The impractical irresponsibles who forced Aberhart to call the special session this summer to push forward his plans for a Social Credit Utopia probably felt instinctively that it was now or never. In another six months there would have been hardly an enthusiastic Social Crediter left in the province. Where the public's fancies would have turned when they turned against the Government, it is hard to say. What brought the people back to Aberhart and his Government was—more than anything else—the debt legislation.

Let the so-called creditor public not suppose that the legislation was unpopular in Alberta. It was widely, intensely, dangerously popular. It was not Social Credit. It was not part of the general pattern of the Social Credit programme. True it has been interpreted as such, since it set out to abolish interest, to free Alberta from dependence upon outside capital. But if a Social Credit member explains it thus he is rationalizing. If an outside observer explains it thus he is giving the Aberhart Cabinet credit for more purposeless planning than the Cabinet is capable of.

Dishonest But Popular

The Debt Reduction and Settlement Act was a diversion; an effort to rally around the government once again the weakening support of a populace beginning to admit its disillusionment.

The wiping out of a large part of the private debts of Alberta citizens was done in a most unfair and inequitable manner. It made dishonest men out of honest ones. It is bound to weaken the moral fibre of the people and will go far to destroy the will to pay that did exist in many Alberta hearts. It took from the supposed "haves" to give to the "have nots." It created administrative problems that are beyond the ability of this inexperienced government to handle. It challenged the constitution and set Alberta against the rest of Canada.

Were Creditors Laggard?

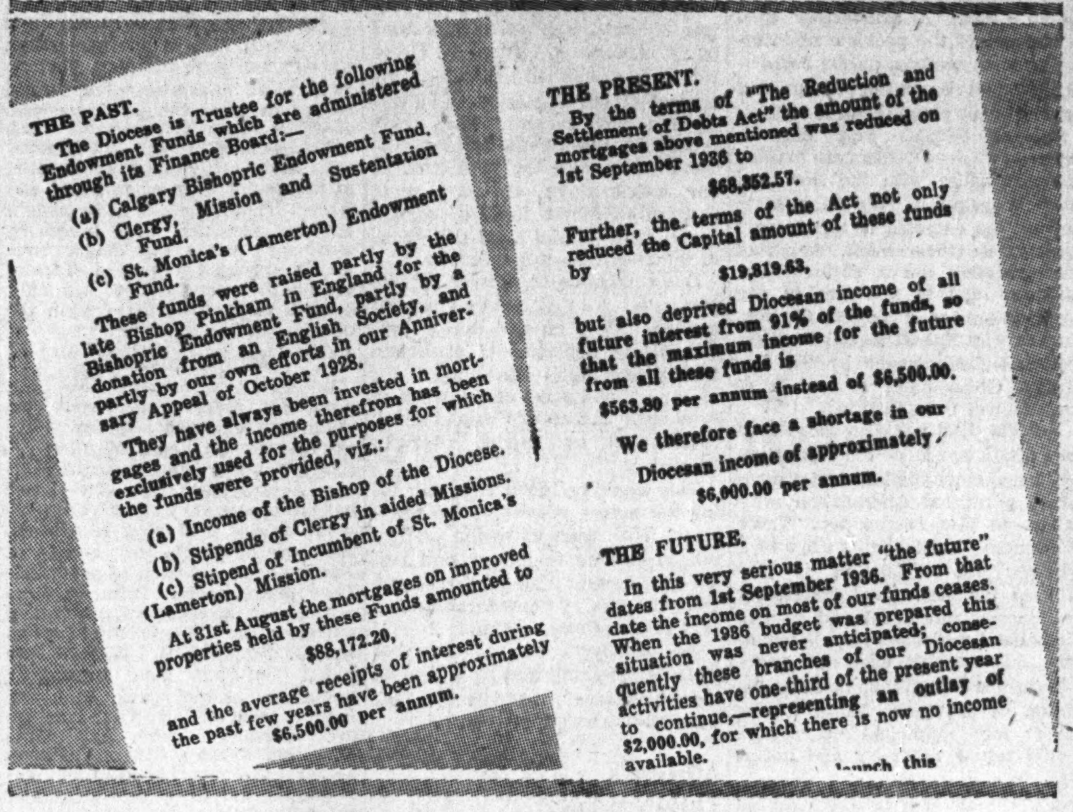
With all that, it won the favor of a great many people in Alberta including people who are bitter opponents of the whole Social Credit fantasy.

And the reason is simply this: that Alberta people feel that the creditor group have been slow to awaken to a realization of the seriousness of the debt problem.

To understand this viewpoint one must not attempt any logical analysis of public opinion. Logic vanishes when emotion takes command.

By and large the banks, the lending institutions and the other

(Continued on page 2, col. 5)



THE PAST.
The Diocese is Trustee for the following Endowment Funds which are administered through its Finance Board:—
(a) Calgary Bishopric Endowment Fund.
(b) Clergy, Mission and Sustentation Fund.
(c) St. Monica's (Lamerton) Endowment Fund.

These funds were raised partly by the late Bishop Pinkham in England for the Bishopric Endowment Fund, partly by a donation from an English Society, and partly by our own efforts in our Anniversary Appeal of October 1928.

They have always been invested in mortgages and the income therefrom has been exclusively used for the purposes for which the funds were provided, viz.:

(a) Income of the Bishop of the Diocese.
(b) Stipends of Clergy in aided Missions.
(c) Stipend of Incumbent of St. Monica's (Lamerton) Mission.

At 31st August the mortgages on improved properties held by these Funds amounted to

$88,172.20,

and the average receipts of interest during the past few years have been approximately $6,500.00 per annum.

THE PRESENT.
By the terms of "The Reduction and Settlement of Debts Act" the amount of the mortgages above mentioned was reduced on 1st September 1936 to

$68,352.57.

Further, the terms of the Act not only reduced the Capital amount of these funds by

$19,819.63,

but also deprived Diocesan income of all future interest from 91% of the funds, so that the maximum income for the future from all these funds is

$563.80 per annum instead of $6,500.00.

We therefore face a shortage in our Diocesan income of approximately

$6,000.00 per annum.

THE FUTURE.
In this very serious matter "the future" dates from 1st September 1936. From that date the income on most of our funds ceases. When the 1936 budget was prepared this situation was never anticipated; consequently these branches of our Diocesan activities have one-third of the present year to continue,—representing an outlay of $2,000.00, for which there is now no income available.

launch this

ABERHART ACT ROBS MISSIONS OF 91% OF INCOME

Church funds in Alberta, along with many trust funds, many philanthropic bodies, have been hard hit by the Government's high-handed interference with private debts and its reduction of interest payments on the public debt.

A case in point is the Diocese of Calgary. This Church of England unit is trustee for certain endowment funds, raised partly in England and partly by local appeal. The income from the funds has been used to supplement the otherwise inadequate income of the Bishop of Calgary and to aid outlying missionary churches which could not be supported upon the revenues available locally.

The funds have always been invested in mortgages. On August 31 last the mortgages held by these funds amounted to $88,172. The average interest receipts have been $6,500 a year.

Under the Debt Reduction and Settlement Act the amount of the mortgages was reduced to $68,352, which was bad enough in itself. But the virtual elimination of interest on mortgages in the province deprived the diocesan income of all future interest on 91% of the funds. The maximum income is now $564 per annum instead of $6,500.

The diocese has been brought face to face with a crisis and is now making an emergent appeal for $8,000 to see it through the balance of 1936 and to replace the lost income for 1937.

The illustration reproduces part of the circular in which the appeal is made.

Highlights

Aberhart Alleluias

When Alberta's premier dons Sunday garb, his followers and radio listeners hear weird combination of politics and religion. Page 12

Investment Analyses

A new investment feature, with analyses of Brazilian Traction, Standard Steel, Simpson's Ltd. and Silverwood Dairies. Page 3

Red Lake

Development of vast mining area calls for further extension of power and railroad facilities. Page 18

Investor's Index

INDUSTRIALS AND UTILITIES

Asbestos Corp.	9	Dom. Bank	17
Andian Nat.	5	Dosco	13, 17
Algoma Steel	13	E. B. Eddy	10
Bank of Can.	17	Electrolux	8
Barclays Bank	17	Fry-Cadbury	7
Bk. of Comm.	7, 17	Fanny Farmer	3, 4
B. C. Telephone	8	Ford	2, 4, 10
B. C. Power	5	G. W. Saddlery	9
B. C. Pulp	7	G. Tamblyn	1, 4
Brandram-Hen.	1	Geo. Weston	4, 9
Brazilian Tr.	3	Goodyear	4, 9
Belding-Cort.	11	Gen. Steel Wares	4
Brew. & Dist.	9	Ham. Bridge	9
Burlington Steel	12	Hudson's Bay	7
Burns & Co.	4	Int. Metal	9
B. C. Power	12	Int. Hydro El.	2
Canada Life	16	Imp. Life	12
Can. Malting	4	Imp. Tobacco	9
Can. Bakeries	9	Imperial Bank	17
Can. Bread	9	Ind. Accept.	1
Can. Cement	9	J. A. Marven	4
Can. P. & P.	9	Kelvinator	4
Can. Vinegars	9	London Life	7
Can. Sugar Fact.	7	Loblaw	3, 4, 9
Can. Foundries	4	Manuf. Life	11
Can. Car	4	McCormick's	2, 4
Can. Canners	4	Mercher's	2
Can. Bakeries	3	Mont. Pwr.	4
Can. Locomo.	4, 12	Moore Corp.	4
Can. Western	9	Nat. Grocers	5
Can. W. Boxes	9	N. S. Steel	13
Can.-Am. Pulp	7	Nat. Stl. Car	1, 4, 9
Can. Biscuit	2	Ont. Steel Prod.	9
Can. Cottons	1, 6, 11	Ottawa V. Pwr.	9
Catelli Food	2	Fry-adbury	7
Can. Internat.	1	Paramount	9
Can. Vickers	1	Rogers-Majestic.	9
Cons. Bakeries	4, 9	Standard Steel	3
Cockshutt	4	Stand. Pavg.	9
Cons. Gas	4, 5	St. Lawr. Corp.	2
Cons. Paper	4, 5	Sun Life	11, 16, 20
Cons. Paper	4	Simpsons, Ltd.	3, 9
Cons. Smelters	4	Silverwood's	3
C. N. R.	8	Steel of Can.	4
C. P. R.	8	Tor. Elevators	5
Dairy Corp.	7	Union Gas	5
Dryden Paper	9	United Steel	3, 4
Dom. Bridge	4	West. Grain	9
Dom. Textiles	11	Wpg. Elect.	9
Dom. Woollens	11	Walker's	1, 4, 5, 7, 9
Dom. Coal	12		

MINES AND OILS

Argosy	18, 19	Int. Nickel	4, 18, 19
Algold	19	J. M. Cons.	18
Adm. Cadillac.	19	Joy Oil Co.	12
Albany River	18	Jowsey Isld.	19
Brook's God's L.	18	Lake Rowan	18
Buff.-Ankerite	18	Lamaque	18
Bousquet	19	L. B. United	19
Big Missouri	19	May-Spiers	18, 19
Bass Lake	19	McKenzie	18, 19
Bralorne	19	Madsen R. L.	18, 19
B. A. Oil	4	McIntyre	4
Balsam	19	McMillan	19
Cent. Pat.	18	McColl-Front.	3
Cons. Sfelters	4	Marquette L. L.	18
Cochenour-W.	19	Margaret	19
Cole	19	Noranda	4, 18
Coin Lake	18	O'Brien	18
Dictator	19	Porc. McNabb	18
East Malartic	19	Paulore	18
Elora	19	Paulore	19
Frontier R. L.	18, 19	Pickle Crow	18
Faulkenham.	18, 19	Placer Engrs.	19
Fox Lake	19	R. L. Gold S.	18, 19
Gold Eagle	18, 19	Richmac	19
Gold Leasers	19	Reno	19
Golden Mining	18	Red Crest	19
Gale Gold	19	Skookum	18
Hudson Pat.	18	Skookum	18, 19
Howey	18	Stewart-Abate	18
Hutchison Lake	18	St. Lawr. S.S.	12
Hutchineau	18	Teck-Hughes	18
Island Mtn.	18	Wabano	18
Int. Pete.	4, 5, 9	Winoga	18
Imp. Oil	4, 9		

QUOTATIONS

Mines	14	Bonds	14
Stocks	14	Grain	15
Foreign Exchange	2		

Manager Seeking Control Of Brandram-Henderson

From Our Own Correspondent

MONTREAL.—Norman Holland, managing director of the company, is making an offer to acquire control of Brandram-Henderson Ltd. from present shareholders by purchasing 50% of the common stock. His offer is to purchase half the stock, not necessarily proportionately from all shareholders, but from those who are willing to sell.

It is understood that a group of directors may also make a tentative offer to purchase control from shareholders. A few days ago directors informed holders of the shares in a letter that an offer to purchase was probable but that negotiations were not sufficiently advanced for them to advise one way or another.

Chain Store Taxation Jumped to $400 a Store

From Our Own Correspondent

MONTREAL.—Chain store operators in Lachine and Verdun, neighboring municipalities of Montreal, have been given authority by the provincial legislature to tax chain stores. Formerly the municipalities imposed a special tax of $250 for each store operated in a chain, but the new bill gives them authority to increase the tax to $400 a store.

Arms Orders Doubtful And Profits More So

British Policy Prevents Profiteering — Orders Merely Possibility

Sharply advancing prices for shares of some Canadian steel and equipment companies have been based partly on reports that rearmament in Great Britain will lead to orders for war materials in Canada.

No orders have been received, and while they are possible, they may not be as profitable as the stock markets seem to expect.

British Investigations

The most reliable information on the subject, gathered by The Financial Post from numerous sources, is as follows:

Earlier this year the British Government started a survey of plants in Great Britain to determine what facilities would be available for arms making. This was expected to take eight or nine months, and it was felt that when the survey was completed it would be time to send missions to the Dominions, including Canada, to investigate suitable facilities.

Consequently it is expected that the British Government may make some survey of Canadian steel plants in the near future, but so far there has been no such investigation and orders of importance for shells, steel and so on are still largely imaginary. It is felt by Canadian steel firms, however, that even if direct armament orders do not come here the increased volume of arms orders in British steel plants would make the field of potential sales for ordinary products of Canadian plants somewhat less competitive.

Aircraft Orders

Canadian Vickers Ltd., Montreal, is reported to have received Government orders for aircraft and equipment estimated at $1.5 million, but this cannot be confirmed officially.

British manufacturers of transport planes are seeking orders in Canada in connection with the Trans-Canada air-mail service, thus belying reports that British aircraft firms cannot supply export orders.

The Department of National Defense at Ottawa is variously reported to be investigating the possibilities of manufacturing arms in Canada and to have given some orders for new munitions already. National Steel Car Co. is said to have obtained business in connection with modernization and mechanization of the militia approved at the last session of Parliament. President R. J. Magor, of National Steel Car, has been in London recently. He is going to South Africa, it is understood, to look into the possibilities of obtaining orders for rolling stock.

British Cost Policy

The British Government policy on re-armament is to guard against "profiteering." This is to be done by establishing at base plants in Great Britain what the costs of manufacture should be for such items as shells. Then orders would be placed on this established cost basis plus 10%. To the extent that costs in Canadian plants might be higher than in Great Britain, the percentage of possible profit would be reduced. Plans of modern shells are reported to be in Montreal already, indicating that some Canadian firms believe there would be sufficient value in this business to make it worth serious investigation.

New machinery for manufacture of shells and other war materials has reduced costs substantially. Canadian firms would have to spend large sums on new machinery to enter the armaments trade. Equipment used in the last war is scrap metal under modern conditions.

It is reported that most efficient manufacturing methods have been developed in Germany. But trade newspapers of the MacLean Publishing Co. Ltd. are informed that the German Government is not allowing export of machinery which cannot be obtained elsewhere. That is, the German Government is keeping its exclusive processes to itself, although it is claimed in some quarters that British plants have imported new German equipment for manufacture of shells.

Among the firms whose facilities would be investigated by any British munitions mission to Canada would be: Steel Co. of Canada, Canadian Vickers, Canadian Car & Foundry, National Steel Car Co., Canadian Locomotive and others. Massey-Harris Co., and other manufacturing firms which are repeatedly rumored to be preparing to make munitions, have received no orders and have no indications of them, according to The Financial Post's information. And outside the Canadian Vickers' rumored order and comparatively small orders of the Department of National Defense, none of the other firms has developed any munitions business yet.

Insurance Costs Cow Less Shirt

Insurance salesmen have been involved in some queer deals. But the story from Wingham, Ont., that it literally took the shirt from the salesman's back to clinch a transaction is one for the record books.

According to the report, the agent, in preliminary conversation with a farmer prospect who was short on cash but long on livestock, agreed to accept a cow in exchange for a policy. Some time later the agent drove up in a truck to close the deal and collect payment. Injudiciously, as it turned out, the agent was wearing a gaudy, red broadcloth shirt which caught the eye of his prospect immediately. Before the latter agreed to sign on the dotted line, the agent was persuaded to include the shirt as part of the sale.

Quebec Passes Bill No 5 For Investors' Protection

From Our Own Correspondent

MONTREAL.—Contrary to expectations, Bill No. 5 with amendments has been passed by the Quebec Legislative Council. This bill was designed to prevent over-capitalization and limit the issuance of bonds by industrial corporations to the value of immovable properties.

In its original form, the bill was regarded as being too sweeping and expectations were the Government would hold the bill back and bring it up for consideration at the next session. However it was decided to put through the bill in an amended form.

The revised bill provides that the issue of debentures, or bonds, shall not be greater than the real value of the immovables, with the amendment providing that boats, ships, wharves, etc., of navigation companies shall be considered as immovable for the purposes of this act. Power also is given to the Lieutenant-Governor-in-Council to permit a company when reorganizing its capital structure to make an issue of bonds to replace the bonds being retired, always providing that the new issue was not larger than the issue being replaced.

While general opinion favors legislation to protect investors, it is felt by investment firms that the bill has been put through without full consideration of all its implications. Much will depend upon the interpretation given to the act by the Government officials, though investment dealers are inclined to regard the act as a definite handicap to corporation financing. This will be proved or disproved between now and the next session of the legislature in February, 1937, when further amendments may be adopted.

Huge Discounts Used By Canadian Cottons To Reduce Inventories

Present Cut is 65 Per Cent for Processed and Finished Goods — 60 Per Cent for Raw Cotton — Real Inventory Placed at $4 Millions

SWORN STATEMENT APPEARS MISLEADING

The intimate story of how C. B. Brown, of the accounting firm of Ritchie & Brown, calculated the famous "secret" inventory reserve of Canadian Cottons, Ltd., was disclosed this week before the Turgeon Royal Commission.

Mr. Brown indicated that to his knowledge the actual amount of the reserve had not previously been estimated.

Ordinary business practice calls for preparation of inventory at cost or market value which ever is lower—less certain discounts depending on the nature of the goods, the state of commodity markets, etc. Inventory is usually compiled under three main divisions: raw materials, goods in process and finished goods.

Canadian Cottons, however, has calculated its inventory at "list" or selling price. Then a percentage deduction was made, according to the evidence. The actual cost figure was uncertain, according to the testimony.

Huge Discounts Used

In making his compilation of what would have been a "normal" inventory for Canadian Cottons in each year, Mr. Brown took the average closing price of cotton at the end of the company's fiscal year. He then took the price at which the company put this cotton into the inventory and compiled in each year the difference.

For example, for the past five years the company has taken five cents a lb. as the price of cotton in compiling its raw material inventory. The actual closing price in this period has ranged from 9.4 to 13.6 cents per lb.

Canadian Cottons Raw Material Valuation

	Average Price of Cotton† (c. per. lb.)	Price Used by Company for Inventory (c. per lb.)
1922	19.2	12
1923	28.6	15
1924	28.0	15
1925	25.2	10
1926	19.2	7
1927	14.8	5
1928	24.5	5
1929	20.2	10
1930	18.5	7
1931	12.5	7
1932	9.4	5
1933	9.4	5
1934	12.2	5
1935	13.6	5
1936	12.7	5

†As compiled by C. B. Brown, auditor.

In respect of goods in process and finished goods, Mr. Brown obtained from the company the percentage deduction which had been made in each year. This deduction started at an initial figure of 25%, rose as high as 70% in 1927 and last year was 65%. Mr. Brown disallowed this arbitrary reduction and then in order to obtain what he considered a "normal" valuation took these original "list" or selling prices and made a uniform deduction in each year of 15%. The evidence is not clear as to whether this 15% deduction was made also by Mr. Brown in respect of raw cotton inventory as well as inventory of finished goods and goods in process.

On this basis Mr. Brown estimated that in 1936 (fiscal year) the company's actual inventory was worth just over $4 millions, but that it had actually been taken into the company's books at $1.7 millions. He therefore estimated the amount of the "secret" inventory reserve in that year at about $2.3 millions

This represents a deduction over the whole inventory of 55% from "list" prices for the year.

Sworn Statement

One of the most significant statements made before the commission at the Nov. 10 hearing (in addition to details of how the "secret" reserve was compiled) was that submitted to the Government for income tax purposes in 1923 and signed by Alexander Bruce, secretary of the company to the effect that "the inventories included in the above schedule were taken on a cost or market basis and do not contain any allowance for shrinkage or decline in value, other than as follows."

According to Mr. McRuer the space left for "as follows" was left completely blank. It is claimed by Mr. McRuer that the "secret" inventory reserve in that year totalled nearly $900,000. Mr. Bruce has been dead for many years.

Basis of Calculation

The actual figures used by Canadian Cottons in computing inventory discounts which were given before the committee by Mr. Brown, follow. Earlier figures were given for the specific discounts on processed and finished goods. For 1916, the discounts in each case were 25% and from 1917 to 1922, uniformly at 40%.

Discounts From "List" Used by Canadian Cottons in Compiling Published Inventory

	For Goods in Process %	For Finished Goods %
1922	40	40
1923	40	40
1924	40	40
1925	40	50
1926	40	50
1927	70	70
1928	70	55
1929	70	55
1930	70	65
1931	60	60
1932	60	60
1933	60	60
1934	60	60
1935	60	60
1936	65	65

On page 11 The Post publishes extracts from the evidence of Nov. 3 and reviews the evidence already presented. Details of the extra taxes amounting to nearly $400,000 being claimed by the federal income tax department are also reported.

Ind. Acceptance Plans New Issue

From Our Own Correspondent

MONTREAL.—Industrial Acceptance Corp., engaged in commercial financing, will shortly be in the market with $1 million of 5% preference stock, and with the proceeds will retire the outstanding 6% debentures. The offering will be made by Greenshields & Co., McLeod, Young, Weir & Co., and Harrison & Co.

It is understood the new preferred will have attached warrants entitling the holder to purchase class "A" stock at a predetermined price over a period of years.

Investment Trust Resumes Dividend

From Our Own Correspondent

MONTREAL.—Canadian International Investment Trust has declared a dividend of 2½% on the 5% cumulative preferred stock, payable Dec. 1 to shareholders of record Nov. 16.

This is the first dividend to be paid on the preferred stock since Dec. 1, 1931, when the regular quarterly disbursement of 1¼% was made. After the forthcoming payment, arrears will amount to 22½%.

Walker-G.&W. Sales Continue To Show Gain

Directors Optimistic as to Future, Says W. J. Hume

Volume of business of Hiram Walker-Gooderham & Worts Ltd. in September and October, the first two months of the current fiscal year, shows an increase over last year, resulting in a satisfactory increase in earnings. The directors, therefore, feel optimistic as to the future, says W. J. Hume, president, in his comments in the official annual statement of the distillery firm for the year ended Aug. 31, 1936. Earnings were $6.56 a share on the common.

Mr. Hume reports that the company's claim against insurance companies for losses involved in destruction of one of the Peoria warehouses has been set for trial at Chicago on Jan. 5, 1937, and is expected to be tried at that time. The balance sheet shows among assets "fire loss suspense account" for $1,756,349.

Mr. Hume discloses that all the company's subsidiaries are now wholly-owned. The company has acquired ownership of Geo. Ballantine & Sons, Scottish whisky firm. It has also purchased remaining minority interests in James & George Stodart Ltd. and Stirling Bonding Co. which it formerly controlled by ownership of majority interests.

Mr. Hume describes the results for the year ended Aug. 31, 1936, as the best since the inception of the company. Increased earnings and working capital are outlined on page 5.

G. Tamblyn Ltd. Reports Improvement in October

Sales of G. Tamblyn Ltd. for October showed an increase of over 10% above those for the 1935 month. Net profits also increased and the outlook for the active Christmas season is stated to be encouraging.

When the new common shares were offered recently at $16 it was stated in the prospectus that due to increased taxes profits for the year had been running somewhat lower than for 1935. It is understood that the recent improvement has more than offset the decline in profits earlier in the year.

MEN'S SHOP EATON'S - COLLEGE STREET

for the
ROYAL WINTER FAIR

The Men's Shop features full dress clothes and accessories in a very extensive range of authentic fashions for the social season 1936-37.

Silk hats by Henry Heath (6⅝ to 7½), $15.00.

English ivory white real silk scarves, $5.00.

Ebony wood cane with sterling silver cap, $7.00.

Gloves of white kid, one dome fastener (7 to 10). Pair $2.75.

Huntingdon tail coat and trousers, $50.00 made-to-measure.

MEN'S SHOP
BAY STREET SECTION
EATON'S - COLLEGE STREET

Inter. Hydro-Electric Changes Debenture Trustee

From Our Own Correspondent

MONTREAL.—International Hydro-Electric System has sent a notice to the holders of the 6% convertible gold debentures that the Chase National Bank of the City of New York had resigned as trustee under the indenture dated April 1, 1929, under which the debentures were issued.

On Nov. 9 last, Chemical Bank and Trust Co., New York, was appointed trustee in place of the Chase National Bank.

Melchers Reorganization Still Meets Opposition

From Our Own Correspondent

MONTREAL.—A revised reorganization plan for Melcher's Distilleries Ltd. has not been issued to the shareholders, owing to the failure of the management to reach an agreement with the protective committee for the class A shareholders.

The old plan provided that the A stock would carry cumulative preferred dividends of 75 cents a share and non-cumulative up to $2 a share, with a cash payment of $4 a share on account of arrears. The majority of the A shareholders were opposed, stating they were content to leave things as they are

Obituary

Edmond Beaudette, prominent in Montreal insurance circles for the last 35 years and representative of the Commercial Union Insurance Co. at the time of his death. He died in Montreal at the age of 65.

* * *

James A. Wilson, formerly prominent in the furniture manufacturing business in Woodstock, Ont., London, England, and Glasgow, and latterly president of the Wilson Gregory Lumber Co., at his home in Winnipeg. He was 68.

St. Lawrence Corp. Calls Meeting on Lake St. John

From Our Own Correspondent

MONTREAL.—St. Lawrence Corp. has called a special general meeting of the class A preferred and common shareholders for Nov. 19, when the plan of reorganization recently announced for Lake St. John Power and Paper will be considered.

To the Beginner in Business

The first step in your business career should be to make a banking connection and open an account.

Your account, even if small, will be welcomed by The Dominion Bank. The Bank too will favourably consider any loan, large or small, provided it is sound. 452

THE
DOMINION BANK
ESTABLISHED 1871

C. H. CARLISLE
President

DUDLEY DAWSON
General Manager

Paid Up Capital - - - - - - - $7,000,000
Reserve Fund and Undivided Profits $7,592,000

The Nation's Business

(Continued from page 1)

provinces. The new issues would bear lower rates of interest. Bondholders would lose in income but gain enormously in security. And the menace of further interest rate reductions of the Aberhartian type would be removed.

* * *

WHEN the Dominion-Provincial Conference meets in Ottawa on December 9 the issue will have to be faced. A satisfactory final settlement of the problem of interest rates on western public borrowings cannot be postponed another year without running great risks.

Private citizens and business interests all over Canada are making common cause with the sane and sensible people of Alberta in combatting the excesses of the present destructive Government. Much of its legislation has a national significance and is a threat to the continuation of a united Canada. That is why The Financial Post has felt that disallowance by the Dominion Government of certain of the acts was fully justified.

Yet The Post has also recognized that disallowance of the legislation will not remove the basic grievances which permitted Aberhartian radicalism to rise to the top. These grievances must be removed whether the legislation is disallowed or not. An excessively burdensome rate of interest on provincial and municipal debt is one of them. The attack upon the problem can most simply be made in the matter of provincial debts. Lower rates for municipal borrowers would follow naturally and normally.

* * *

Premier Hepburn Starts Something

JUST how far Premier Hepburn of Ontario actually intended to go in urging the centralization of certain departments of Government in the hands of the Dominion is not clear. He was reported as having suggested in Toronto this week that the provincial departments of Agriculture, Health and Labor might work with the Dominion departments in the same field. Possibly he was not thinking in terms of a complete extinction of the provincial departments of this character in the various provinces but of handing over to the Dominion all work that could best be done on a national scale.

Mr. Hepburn's statement is one of the utmost importance. Businessmen and students of public affairs have long been conscious of the waste of tax money involved in maintaining duplicatory governmental departments all over Canada. Recognizing the waste was easy; ending it was difficult. This was because the obvious remedy in most cases was to ask the provinces to abandon fields wherein the Dominion could be more efficient. And the provinces have clung stubbornly to their full rights and privileges including the privilege of wasting the ordinary people's money.

* * *

CURIOUSLY on the evening when Mr. Hepburn spoke, the organizer of the Conservative opposition party in Ontario, George A. Drew, was giving another address on the subject of our excessive and overlapping Governments. Thus there should be agreement between the Government and the opposition in any major move on the part of Ontario to divest itself of certain responsibilities and hand them over to the Dominion to administer.

But surrender of powers by one provincial government is not enough. Most of the duties performed by departments of Labor, Health and Agriculture in all the provinces, and some of the work of Provincial Secretary's departments, could well be handed over to Ottawa.

This would be better than extending the taxing powers of the provinces. With each extension of provincial powers to govern and tax, we get further and further away from the idea of Confederation as a pact creating one nation.

Mr. Hepburn, let us hope, has started something that he will, with his traditional persistency, see through to a satisfying finish.

* * *

Alberta's Yellow Book

ONE of the chief factors in the flight of capital from Alberta has been the doctrines propounded in the famous "Yellow Booklet," authorship of which has been admitted by Premier William Aberhart.

The pamphlet states that in order to put Social Credit in operation it may be necessary for citizens of Alberta to use their cash resources to buy bonds of the province and that they may also be called upon to transfer the cash surrender value of life insurance policies for this purpose.

In the face of this, Premier Aberhart continues to assure the citizens of Alberta that his government has no intention of confiscating their savings. He has yet, however, to repudiate his "yellow" booklet.

Mr. Aberhart must now regret that he ever wrote and published this booklet. In transferring cash and securities out of the province, many clients of banks, insurance and trust companies have given as their reason fear that confiscation of wealth as outlined in the "Yellow Booklet" may be undertaken.

McCormick's Expand Sales Profits Gain

Expect to Cover Senior Interest Charges and Depreciation

From Our Own Correspondent

MONTREAL.—McCormick's Ltd., formerly Canada Biscuit Co., expects to be able to show a net profit, after depreciation and senior interest, on operations for this year. To date sales have been running ahead of 1935 and profits have been such as to warrant the expectations that final returns for the year will show the senior charges covered.

Considerable changes have been effected in the company's operations and policies over the past year. The reorganization plan was put into effect last March; extensive advertising campaigns have been carried on to foster sale of the company's products, while the policy of decentralization has been carried even further.

Show Stronger Position

The financial "house-cleaning" is expected to show up strongly in the 1936 statement. Interest on the new mortgage bonds is payable only out of income up to and including April 30, 1940, and is non-cumulative. There is no indication at the moment as to whether net income for 1936 will be sufficient to warrant payment to the mortgage bondholders.

So far investment interest in McCormick's is limited to securities of the former company. The old bonds of Canada Biscuit are currently 36½ bid. For each $1,000 face value of old bonds, the holder receives, under the latest plan, $500 of the new income bonds and 10 shares of 6% non-cumulative participating preferred of the par value of $50 each.

There has been no trading in the new securities.

Listed Bonds

Week Ended Nov. 9, 1936

	Int. rate	Due	High	Low	Range 1936 High	Range 1936 Low
Mtl. L. H. & P.						
Debs.	3	'39	50⅜	50¼	51¼	50
McNish	6	'48	3.75	3.70	4.00	3.00
Unlisted:						
Cons. Pap.	5¼	'61	65	..	65	30½

Investment Trusts

	Bid	Asked
Can. Amer. Trust	4.60	4.80
Can. Invest. Fund	4.70	5.00
Grouped Income	6.84	7.50
Can. Equity	13.00	....
All Can. Com., ex-div.	14.50	15.00
Trans. Canada	14.80	....
Can. Int. Trust, modified	5.87	6.12
Do., unmodified	5.37	5.87

Commodity Prices

PRICE RANGE

	Latest week	Previous week	Same week last yr.
Cattle	$5.50	$6.00	$6.10
Hogs	8.00	8.25	8.60
Copper, lb.	.10½	.10	.09¼
Cotton, lb.	.1235	.1208	.1180
Rubber, lb.	.1750	.1707	.1325
Sugar, raw, lb.	.0387	.0335	.0350
Silk, lb.	1.95	1.90	2.23
Wheat (Man.) bus.	1.08¾	1.07¾	.84½
Coffee, lb.	.06½	.06⅝	.06¾
Hides	.11¾	.11½	.12
Weekly Indices			
N. Y. Annalist	127.9	127.3	127.4
Fishers'	84.7	84.5	85.0
N. Y. Journal of Comm.	82.5	81.4	81.4
Crumps (Brit.)	76.2	73.1	68.3
U. S. Labor	81.1	81.2	80.3
Canada (D.B.S.)	76.8	77.1	72.9

Monthly Indices

Canada (D.B.S.)	Latest month	Prev. month	Same last year
Retail (Oct.)	81.0	81.9	80.4
W'sale (Oct.)	77.1	76.4	73.1
U. S. Labor (Aug.)	81.6	80.5	80.5
Gt. Brit. (Aug.)	83.4	82.0	77.5

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1929 = 100 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price. Toronto: Copper-electrolytic, New York: Silk—Japanese, 13-15, New York: Sugar—96 degrees contrifugal c/f New York: Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis: Hides—No. 1 packer light native cows, New York; Hogs — select bacons, Toronto.

Bond Sales

Prince Edward Island

Province of Prince Edward Island has sold an issue of $250,000 of 3% 10-year bonds to J. L. Graham & Co., Toronto, on a 30-day option basis, the price being 100.43. Proceeds of the issue are to be used to refund a 5½% issue which falls due June 1 next. Bids for the issue were as follows:

	Bids
J. L. Graham & Co.	100.43
A. E. Ames & Co.	96.60
Royal Securities Corp.	98.56

Dominion Stores Reports Sales Increase of 5.49%

For the four-week period ended Oct. 31, Dominion Stores Ltd. reports an increase of 5.49% in sales, compared with an increase of only 1.01% in the previous four weeks.

Comparative figures follow:

Dominion Stores' Sales

Four week period ending:	1936 $	1935 $	Incr. %
Jan. 25	1,413,478	1,226,611	15.23
Feb. 22	1,452,068	1,352,553	7.36
Mar. 21	1,513,367	1,417,909	6.73
Apr. 18	1,510,891	1,385,269	9.07
May 16	1,517,152	1,360,939	11.48
June 13	1,463,362	1,350,741	8.34
July 11	1,511,080	1,340,440	12.73
Aug. 8	1,484,725	1,313,961	13.00
Sept. 9	1,467,762	1,290,685	13.71
Oct. 3	1,487,037	1,472,157	1.01
Oct. 31	1,459,935	1,383,939	5.49
	16,280,877	14,895,204	9.30

Catelli Food Products Starts Paying on Common

MONTREAL.—Catelli Food Products Ltd., formerly Catelli Macaroni Products Corp., has declared an interim dividend of 25 cents a share on the common stock, as well as a semi-annual dividend of 37 cents on the 5% cumulative preferred

Social Credit Dawn Finds Alberta Near Political Crack-up

(Continued from page 1)

creditors of the western farmer feel that they have been generous—generous to a fault—in dealing with farmer debtors in the West. Examination of the facts reveals that this is true. There are exceptions. Certain mortgage interests, particularly those under absentee control from outside of Canada, have been slow to make concessions. Their effort has been to hang on to a paper asset to the last ditch, to grant relief to the debtor only when relief was forced. These interests have made it difficult for the large majority, who have taken the longer term view and sought to keep good farmers on their land and to see their debtors through as partners in the development of the country.

Many Settlements

Individual settlements have been numerous. Many of these were of a voluntary character. Many were made under provincial debt legislation and under the Farmers Creditors Arrangement Act. The latter has not been a very effective instrument. It has been slow to operate. The decisions of the Board of Review have not been of a pattern. They have veered from extreme concern for the creditors' interests to extreme liberality to the debtors. Perjury by debtors has been frequent and has gone practically unchecked as the boards have had little time to do more than take the facts laid before them. And in the operation of the act there has been rather ill-tempered conflict between the holders of mortgages and the holders of unsecured claims.

Have Tried to be Fair

A great many mortgage holders have really wondered what the farmer has been kicking about. True the face value of his debt has been high in relation to the present value of his production. But in many cases he has been paying nothing at all. In few cases has he been asked to pay more than a share of his crops. Why, these people asked, should the farmer worry about his debts when they were not taking more money out of his pocket than he could afford? These creditors have felt that they were fully justified in adopting a policy of leaving the final settlement to be postponed until it was seen what the long term trend of prices and values was going to be.

Dramatic Gesture Needed

The great weakness of this position is that it left the debts outstanding as something for the farmer to worry about and think about. It left an opening for agitators to magnify the farmer's difficulties.

What the West waited for for years was a great dramatic gesture, something unsolicited, something voluntary, made by the creditor groups to the debt-ridden farmers of the West. The gesture may have taken the form of a general writing down of debts, of a drastic reduction in interest rates, possibly of something else. What has been done in Manitoba and Saskatchewan recently should have been done a year or three years ago.

In the long run it would not have cost the creditor groups as much as the price they are being forced to pay in Alberta by horizontal reductions enforced through Government interference.

Rearguard Actions

The West waited and the offer did not come. The creditors by and large sincerely believed they were doing what was best for the West as well as for themselves. Their logic, their reasoning may have been sound but their psychology was bad. The western farmer was worrying—or being worried by the politicians—even about those debts that he was not paying. The creditor was being held up as a bad, wicked man, selfish, heartless, cruel.

The creditor was constantly fighting a rearguard action. He failed to take the offensive in a dramatic movement to cut the debts of the West.

The creditor, as a result, has found himself with few friends. There is hardly anyone in Alberta entirely opposed to the underlying principle of the Debt Reduction and Settlement Act. Those who are opposed will always end up with a criticism of the creditors, criticism for their laggardness in offering their own concerted proposal for debt reduction.

The sweeping measure of debt reduction in Alberta has only served to consolidate the government's position temporarily. It will not halt permanently the disintegration that is going on.

The Debt Reduction Act may not hold. Some members of the government now seem to realize that it is ultra vires. They feel pretty certain that Ottawa will not disallow it for they have been told by enough people that Ottawa has no intention of making a "martyr" out of Aberhart and consolidating the people behind him. But the Government has also been told that the act will not hold water in the courts.

Strategy of Government

That explains why it is now the reputed strategy of the Government to prevent cases reaching the courts if at all possible: to stall off a legal battle until the next session of the legislature when the loopholes in the act can be plugged. And creditors need not interpret this as offering them any hope. If the loophole is that the act deals with interest which is beyond the powers of the province then the amendments will deal more directly with principal sums. The new act may be intra vires but it will be just as rigorous and just as vicious.

That is unless the political blowoff that impends comes in the interval. How it will come is beyond forecast.

It may come, of course, simply through complete loss of public confidence.

It may come through Mr. Aberhart's abandonment of Alberta for the greener fields of British Columbia.

It may come through a revolt of the moderates or more or less Rightist elements in the cabinet. If they can carry Aberhart with them in their revolt the government would be assured of an indefinite life and might be a fairly efficient government.

Radicals May Revolt

It may come through a revolt of the Radicals. Members of Mr. Aberhart's own cabinet have told me that the word Radical is not a good word to use, that the leftwingers are neither Communist nor Socialist. They are impatient, economically ignorant or simply irresponsible. And again if the leftwingers revolt, throw out the moderates in the cabinet and carry Aberhart with them, Alberta may be in for a reign of terror. This may explain why some of the newspapers in Alberta, whose owners and editors are bitterly antagonistic to Aberhart in their hearts, are nevertheless pulling their punches in both their news and editorial columns. There are a good many facts about the Alberta situation that have been given wide publicity in papers outside the province that have been ignored or touched on lightly in papers at home. With one or two conspicuous exceptions—such as the Calgary Herald and the Lethbridge Herald—the newspapers of Alberta have restrained their hand in their attacks. This, despite the fact that every daily newspaper in Alberta, except his own private organ, is opposed to Aberhart on part or all of his programme and at least 91 of the 93 weeklies are equally opposed.

May Need Money

Again the crisis may come when the Aberhart Government runs out of money, and is unable to borrow. It is altogether probable that before succumbing to financial anaemia the government will abandon all interest payments on government bonds. But even if interest payments are abolished Mr. Aberhart may find himself short of cash to meet government bills and carry on the public works programme that the public demand. And he certainly will not be able to raise legal tender enough to pay Basic Dividends.

Trouble may be staved off by pressing forward with the Maynard programme for the establishment of a sovereign financial community independent of outside business or finance. Ultimate collapse may be postponed too by some form of capital levy or the suggested confiscation of all incomes over $1,800. The government indignantly denies that it contemplates a levy on capital but unfortunately the government has indignantly denied so many things that later turned out to be true, and it had given so many assurances that meant absolutely nothing when the moment for decision arrived, that even the capital income levy cannot be wiped out as an impossibility. The only thing that can be said of the Aberhart Government with any degree of certainty is that with such a government in power anything is possible.

After Aberhart, Who?

But ultimately the government is bound to collapse. It may come in four months as one of Canada's most seasoned observers opined on a recent visit to Alberta, and it may be much longer postponed.

What then? What government will there be to take over?

One thing is agreed to by practically every reasonable person in Alberta. The successors to the Aberhart Government will not be a Communist Government and it will not even be the C. C. F., for neither Communism nor the C. C. F. has gotten to first base in Alberta.

Possible Successors

There remain to be considered then three possibilities. One, a Liberal Government, two, a fusion Government of the old U. F. A., the Conservative and the Liberal forces, and three, a nonpartisan government under the sponsorship of some such organization as the recently formed and rapidly growing People's League of Alberta, which has been organized as a movement of protest against Aberhartian excesses.

A great deal depends upon the final decision of the United Farmers of Alberta on the question of remaining in politics. Strong forces within that organization, which ruled Alberta from 1920 to 1935 under Greenfield, Brownlee and Reid successively, are convinced that the future of the U. F. A. lies in the development of its co-operative commercial enterprises leaving politics severely alone. They will try to bring the question to a decision at the U. F. A. convention next February. If they succeed, then the farmers movement as such may be considered out of politics in Alberta and the people will have to look elsewhere to consolidate their forces.

Farmer or Liberal

If, on the other hand, the U. F. A. decides that its future is in politics, it is not beyond the possibilities that there would again be a Farmers' Government in Alberta. Certain it is that many people in Alberta profess to have little interest in the two old line parties so far as provincial issues are concerned.

Nevertheless, failing the U. F. A. success, the odds favor the Liberals as the next in line. The Liberals have held severely aloof from fusion movements. They guessed badly in 1935 and their confidence in victory was shattered. But they are encouraged by the Dominion Liberal organization to hold together, to stand out independent of unionist Government proposals and to fight it out until there is once again a Liberal Government entrenched in Alberta.

So long as the Liberals hold out there is little chance of a fusion Government in Alberta because there would be but little to fuse together if a group as large as the Liberals of the province stayed out.

But there might be some chance of a nonpartisan government. The People's League of Alberta has branches all over the province, although it is yet only a few weeks old. It has thousands of members.

One further possibility is discussed by valiant Social Creditors: to draft Major Douglas to come to Alberta and head up a government!

Debts Fundamental

Even to the non-Social Crediter these things are fundamental. Alberta wants its debts, public and private, lightened, or at the least the carrying charges on them, and having made a spectacular move in this direction the province will not retrace its steps all the way, no matter what government comes into power.

This makes it clear that financial and creditor groups should be ready to come to the assistance of Alberta when Alberta's own Government fails it. There should be a generous private debt settlement scheme ready for immediate application if and when the Aberhart legislation is thrown out by the courts or repealed. And a Dominion-sponsored plan for making low interest rate available to the province, once it is ready to play squarely with its bondholders, is another desideratum.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Municipal—							
Swansea, Village of	Nov...	...	4½%	....	$21,254	100	4½%
Provincial—							
Prince Edward Island (30 day option)	Nov...	J. L. Graham & Co.	3%	10-yr.	250,000	100.43	....

Canada's oldest bank this month enters upon its 120th year of service to the public.

BANK OF MONTREAL
Established 1817

MODERN, EXPERIENCED BANKING SERVICE
... the outcome of 119 years' successful operation)

HEAD OFFICE MONTREAL

Foreign Exchange

Feature of foreign exchange markets last week, sterling dropped an even two cents to bring quotations to $4.86¾, practically the parity before England devalued in 1931. Observers feel this will about complete the downward trend of sterling, which has been noted since the French devaluation.

Of importance is the decision reached by Holland and Switzerland to enter into full accord with the tripartite currency and stabilization agreements. This was the only means by which these countries could sell their currencies to Great Britain, France or the United States and receive gold.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Nov. 3	Nov. 4	Nov. 5	Nov. 6	Nov. 7	Nov. 9
U. S. dollar, High	.99 11/16	.99 11/16	.99 11/16	.99 11/16	.99 11/16	.99 11/16
Low	.99 11/16	.99 11/16	.99 11/16	.99 11/16	.99⅞	.99 11/16
1935 High	1.01 1/16	1.00 11/16	1.01 1/16	1.01 1/16	1.01 1/16	1.01 1/16
Low	1.00 11/16	1.00 11/16	1.00⅞	1.01	1.00 11/16	1.00 11/16
U. K. pound	4.88¾	4.88¾	4.88¼	4.87½	4.87½	4.86¾
Argentina	.....	.2786	.2784	.2789	.2788	.2785
Australia	3.9007	3.9013	3.8985	3.8935	3.8908	3.8869
Austria	.1874	.1872	.1872	.1872	.1872	.1869½
Belgium	.1689	.1688	.1688½	.1693	.1692	.1689½
Brazil	.0589	.0587	.0584	.0585	.0584	.0594
Czechoslovakia	.0356	.0354	.0354	.0354	.0354	.0353½
Denmark	.2183	.2182	.2180	.2178	.2177	.2176
France	.0465	.0465	.0463	.0462⅝	.0463	.0462¾
Germany	.4030	.4021	.4020½	.4020	.4021	.4015
Greece	.0091	.0089¾	.0089¾	.0089½	.0089¾	.0089½
Holland	.5412	.5390	.5371	.5366	.5363	.5355
Hungary	.1984	.1979	.1979	.1978	.1979	.1977
India	.3725	.3724	.3720	.3718	.3713	.3683
Italy	.0529	.0526¼	.0526¼	.0526¼	.0526¼	.0525½
Japan	.2860	.2858	.2858	.2857	.2850	.2847
Jugoslavia	.0231	.0230	.0230	.0233	.0233	.0232½
New Zealand	3.9321	3.9326	3.9299	3.9249	3.9220	3.9182
Norway	.2457	.2456	.2454	.2451	.2452	.2448
South Africa	4.8612	4.8619	4.8585	4.8522	4.8486	4.8440
Sweden	.2521	.2520	.2518	.2515	.2514	.2512
Switzerland	.2295	.2298	.2296½	.2298	.2297	.2295
Hong Kong	.3049	.3053	.3060	.3057	.3058	.3058

Ford of Canada Economy Car Is Trump Card

Alternate Engine Will Increase Mileage 25%—

By STAFF REPORTER

DETROIT.—With 8,000 dealers and guests from all parts of Canada and United States looking on, the mighty Ford organization unveiled last week its latest bid for motordom supremacy. The unveiling took nearly three hours and was accompanied by a mammoth display of pageantry for the benefit of the assembled sales force.

The bid for supremacy might be called a double play—one new car and two new engines.

The car has many refinements—looks more like a Lincoln Zephyr (its hood lifts up at the front like that of its larger sister)—has an all-steel, one-piece top and new brakes. The engines are alternate equipment to the same body and the same 112-inch chassis.

One engine is an improved V-8—much like last year's except for important refinements. It is rated at 85 h.p. The other is a smaller, entirely new V-8 engine rated at 60 h.p. and reported to give a 25% higher mileage in so far as gasoline consumption is concerned.

No prices are available for the two cars but a spread of $75 in favor of the smaller engine is rumored.

For 1937 it is believed the company hopes to sell about 40,000 units in the domestic field and 40,000 in the export market. This would represent about the same volume of business as was done last year abroad but an increase of about one-third in Canadian sales. Total increase for 1937 would therefore be about 15% compared with last year. In units this would mean about 80,000 compared with about 70,000 units estimated as approximate volume in 1936.

English Motors?

At the moment the major question mark is just how popular the new economy car will be. The Financial Post understands the Canadian plant is not as yet equipped to manufacture the new 60 h.p. motors in Canada and for the time being will import them either from England or from the United States.

Economy Car Prospects

Company officials are reticent as to what proportion of 1937 sales will be made in the economy motor. They are also reticent about the mileage figures. However, the rough yardstick of a one-quarter increase may be taken as roughly accurate. Thus if your present Ford car is averaging you about 20 miles to the gallon you can expect to get 25 miles to the gallon from the new motor.

Incidentally, the only way you can tell the new Ford from its larger brother is by the little blue enamel insignia on the right of the radiator grille. The big motors have the numeral 85 against the V-8 monogram; the economy cars have the figure 60 in the same place.

Railway Earnings

Canadian Pacific Railway

September—	1936 $	1935 $
Gross revenue	14,312,164	13,445,654
Operating expense	10,889,280	10,155,436
Net revenue	3,422,884	3,290,218

9 Months End. Sept.—	1936 $	1935 $
Gross revenue	99,943,579	92,040,422
Operating expense	88,116,110	80,653,663
Net revenue	11,827,468	11,386,758

ROLLS RAZOR

FOR 1500 Pleasant HOURS

You spend 1500 hours with a razor during your life. Make those hours pleasant with a Rolls Razor. The automatically stopped and honed barber's blade of the Rolls simply glides through the toughest stubble. $6.95 up.

ROLLS SHAVING BOWL $1.00
REFILLS 60c 48

In any test—
"EXPORT"
CIGARETTES
—will convince you.

News of Investments - - Analyses

Higher Profit Likely in 1937 For Simpsons

Analysis Shows it May Equal $8 on Preference Shares

INTEREST REDUCED

In an analysis of the prospects of the 6½% cumulative preference shares of Simpsons, Ltd., Mills, Spence & Co., Toronto investment firm, suggests if earnings are maintained at present levels, profits in 1937 will be equivalent to $8 a share on the preference stock. Last year earnings on the preference stock amounted to $4.15 a share and dividends of $4 a share are currently being paid. Arrears of dividends total $20.87 a share.

Two important factors appear to justify expectation of a higher rate of earning power in the immediate future, the analysis states.

First, earnings thus far in the current year have been running well ahead of last year's rate. For the 32 weeks ended Sept. 2, 1936, earnings, before providing for bond interest and depreciation, were $194,000 higher than in the same period of 1935. This improvement, if carried through the full year, would amount to approximately $248,000 after allowance for income tax. This would be equivalent to an additional $2.20 per share on the 112,500 preference shares outstanding.

Second, the company, in September last, effected an important saving through refunding its $8,607,800 of 6% and $1,054,200 of 5½% first mortgage bonds through issuance of $2.8 millions of 3% and 3½% serial bonds due 1937-44 and $7.2 millions of 4¼% bonds due 1951. The maximum annual interest charges on these new issues will be $397,000 and this amount will decrease each year to $306,000 for the year 1945 and thereafter. In the year ended Jan. 8, 1936, interest charges on Simpsons, Ltd. bonds amounted to $602,904. The minimum annual interest saving, as compared with the last fiscal year, is therefore $205,904, which is equivalent to $1.83 per preference share.

R. W. Ward New President of Canadian Bakeries Ltd.

R. W. Ward, Calgary, has been elected president of Canadian Bakeries Ltd., controlled by Maple Leaf Milling Co. He succeeds C. W. Band in the office. Mr. Band remains a director and the board is unchanged.

Mr. Ward is a native of New Brunswick who went to western Canada as a young man in banking. He formed the Ward Bakeries in Calgary and became vice-president and general manager of Canadian Bakeries when his firm entered the merger. He is well known as a bakery manager, particularly in western Canada where Canadian Bakeries operates in the major cities in British Columbia, Alberta and Saskatchewan.

D. C. MacLachlan, president of Maple Leaf Milling Co., has become vice-president of Canadian Bakeries, and D. A. Ross remains secretary-treasurer of the bakery firm.

TURNBULL'S
CEETEE
PURE WOOL

WARMTH without bulk in these smart shirts and shorts for winter wear. Made of very light weight finest quality Botany wool, and mixtures of wool and cotton. Soft and non irritating to the skin. Tailored throughout to well-known TURNBULL standards. Popular prices.

TURNBULL'S and CEETEE Winter UNDERWEAR

Investment Analysis

Brazilian Traction

Regular Dividends Must Wait Upon Increased Value of Brazil's Exports — Shares Consist Partly of Gamble in Price of Coffee

With the recent rise of shares of Brazilian Traction, Light & Power Co., investment interest in the company's affairs and dividend policy has been increased. This is reflected in active trading in its shares and is also shown by a growing volume of enquiries from subscribers of The Financial Post.

Brazilian Traction, Light & Power Co. has outstanding capital of $393,400 of 6% preferred stock and 7,028,057 common shares of no par value. While the company itself has no bonds outstanding, the funded debt of subsidiaries in 1935 was $32.9 millions. There were also $6.9 millions of bonds of a partially controlled subsidiary outstanding.

The company through its subsidiaries provides public services in the most populous areas of Brazil, the provinces of Sao Paulo and Minas Geraes and the cities of Rio de Janeiro, Sao Paulo and Santos. Services are chiefly tramways, electric light and power, gas, water and telephone.

Details of Financial Record

Comparative earnings, working capital, dividends and equity for the common shares, drawn from company statements, are as follows:

Comparative Results for Brazilian Traction Common Shares

Year	Earnings $	Working capital $	Per Share Earnings $	Per Share Dividends $	Per Share Equity $
1930	16,001,024	10,295,541	2.50	1.50+3%*	31.92
1931	9,365,499	15,630,296	1.39	.50+4%*	31.42
1932	5,215,865	22,507,801	.74	.25+4%*	30.92
1933	3,405,350	29,632,810	.48	nil	31.59
1934	3,611,895	34,920,246	.51	nil	32.34
1935	5,186,635	23,766,037	.74	nil	31.67

* Stock dividends, 1% meaning one share per 100 held.

It is vitally important to note that although these figures are stated in Canadian dollars the company's earnings are received in Brazilian money, that is the milreis. This accounts partly for the rise in working capital which consists largely of cash lying in Brazil. If the company could transfer this money into sterling or dollars, substantial payments on the shares would be possible.

Major Prolems

The major uncertainties affecting the company's shares are:

1. Brazil's shortage of foreign exchange.
2. Need for revision of public utility rates in Brazil.

The company receives its earnings, of course, in Brazilian currency. The milreis, which was worth about 12 cents early in 1930 dropped to 5½ cents at the close of 1935. At present it is worth slightly less than six cents. Had the company's earnings in Brazil remained unchanged, this decline in the milreis alone would have cut in half the amount of earnings in dollars.

Transfer Uncertain

What has been even worse for investors in Brazilian Traction, the company cannot convert all earnings into dollars even at the reduced value of the milreis. It takes advantage of exchange conditions and agreements to transfer what money it can into sterling or dollars but this has been insufficient to allow regular cash dividends.

The dollar value of Brazilian exports has declined with the low prices that have prevailed for such major exports as coffee. Consequently the excess of exports over imports has been insufficient to provide enough dollars and pounds for the Brazilian Government to pay its full debts abroad. And companies like Brazilian Traction naturally have been able to take only part of earnings out of the country.

Signs of Improvement

The Brazilian exchange situation will improve if the value of exports increases. There has been moderate improvement in the price of coffee and in the value of the milreis this year. For the first seven months of 1936, Brazil's net export balance was £6.1 millions, an increase of more than 10% over the same period of 1935. Another bit of encouragement is the increasing importance of Brazil's exports of cotton.

While devaluation of former gold currencies, such as the franc, is of no immediate benefit to the company, it may help eventually, especially if it helps to raise prices for Brazilian export commodities. Due to the moderate improvement in the exchange situation this year, it is now claimed in some responsible quarters that the Brazilian Government could pay its full bond interest abroad although it is not doing so.

Rates for Services

As to public utility rates, the company was formerly able to adjust some of its rates upward as the milreis declined. This was stopped in 1933 by decree of President Jetullio Vargas of Brazil. Consequently it is now necessary to arrange new rate agreements for a substantial portion of the company's various services to re-establish satisfactory revenues.

Arrangement of new permanent rates is to be settled by a commission. It may be some time, however, before this is effected. Public relations in Brazil are therefore important in appraising the company's prospects.

Dividends Possible

Payment of a cash dividend of 30 cents a share last July 15 was the first such distribution since 1932. Another cash payment is expected in the near future but this is strictly unofficial. Dividend policy must remain uncertain until the company can count on regular transfer of funds out of Brazil.

The more favorable features of the current situation are:

1. Slightly higher values for coffee and for the milreis.
2. Rise of 5% in the company's earnings this year.
3. Brazil's increased balance of exports.

Even in the light of these minor encouragements, however, the problem of obtaining adequate supplies of foreign exchange remains dependent upon still higher values for exports to world markets. Thus, a purchase of Brazilian Traction shares, in hopes of steady dollar dividends, consists partly of a gamble in higher prices for the country's chief export commodity, coffee.

Loblaw Profits Increase 16.6%

Substantial increases in sales continue to be reported by Loblaw Groceterias Ltd. In the 4-week period ended Oct. 17 they showed a rise of 15.54%. Profits in the same period jumped 16.69%.

During the first 20 weeks of the current fiscal year sales have risen $815,755 and profits $40,978.

Sales and Earnings

4 wks. ended Oct. 17	1936 $	1935 $	Inc. %
Sales	1,403,530	1,214,789	15.54
Profits	71,811	61,535	16.69
20 wks. ended Oct. 17			
Sales	6,531,458	5,715,703	14.27
Profits	283,644	242,666	16.89

Fanny Farmer Sales Up 25.8% in October

Fanny Farmer Candy Shops Inc. reports sales of $484,147 for October, compared with $384,817 in Oct., 1935, an increase of 25.8%.

For the first 10 months of 1936, sales totalled $4,148,454, compared with $3,556,236 for the same period of 1935. This is an increase of 16.7%.

Sales increases lead to expectations that earnings for the year will be higher than the $1.28 a share reported in 1935 which was the highest on record.

Standard Steel Earnings Jump For Preferred

United Steel Cannot Get Dividends Until Arrears Are Paid

CAPITAL CHANGES

Standard Steel Construction Co., controlled by United Steel Corp., will show earnings of some $100,000 this year after full depreciation allowance, according to an official consulted by The Financial Post. Another Standard Steel official says the plant is capable of handling several times the volume it has had this year.

Earnings of $100,000 would amount to more than $10 a share on the 9,790 preferred shares of Standard Steel, compared with earnings of $1.91 a share in 1935. Dividends totalling $6 a share have been declared this year on the preferred which is entitled to $3 a share annually. Arrears will stand at $5.25 a share after these payments. It is believed directors will endeavor to clean up the remaining arrears as soon as possible, provided earnings allow it.

United Steel Shares

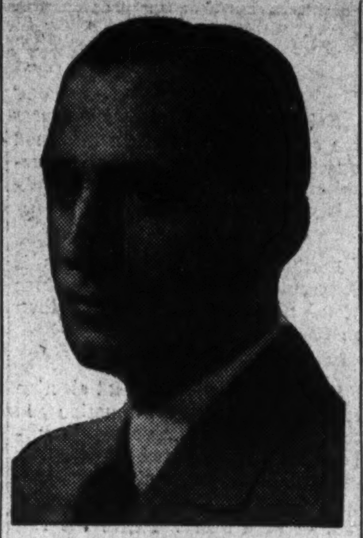
United Steel Corp. holds some 112,000 of the 120,525 common shares of Standard Steel Construction Co. Consequently it stands to benefit from any dividends on Standard Steel common. It cannot receive them until the preferred arrears are wiped out which may take time.

United Steel Corp. itself has outstanding $824,400 of preferred stock on which 6% dividends soon become cumulative. As yet the company has not demonstrated its ability to earn the preferred dividends unless income is received on the holdings of Standard Steel common shares. There have been no earnings on United Steel Corp. common shares yet.

Change of Capital

Conversion of all 2,500 class B preferred shares of United Steel Corp. into common stock, one share for 35 common, has been effected. This gave a total of 373,686 outstanding common shares for United Steel at Oct. 15, 1936, of an authorized amount of 500,000 shares.

The Toronto Stock Exchange has posted for trading a total of 377,710 common shares of United Steel Corp. This is some 4,000 more than the number actually outstanding. The additional shares are reserved for issue to minority holders of common shares of Standard Steel Construction Co. Some 600 shares of United Steel stock have been issued under this arrangement in 1936.



GOES TO MONTREAL

J. M. Pritchard, vice-president of McColl-Frontenac Oil Co. Limited, announces the appointment of A. F. Campo (above), sales manager, western division, with headquarters in Winnipeg, as assistant general sales manager of the company's marketing operations in Canada.

The appointment will take effect from Dec. 1, when he will take over his new duties in the company's head office in Montreal.

Silverwood Earnings Up

Statement and Securities Soon to Be Issued to Investors

Despite absorption of additional sales tax of some $15,000 this year, Silverwood Dairies Ltd., London, Ont., has had improved earnings this year, according to President A. E. Silverwood.

An audited statement issued in connection with this year's sale of 5% first mortgage bonds showed earnings, after depreciation, for the year ended March 28, 1936, more than sufficient to cover interest on the new bonds and also on the new 6% debentures. Earnings were slightly over 21 cents a share on the new preferred stock compared with 56 cents a share in the preceding year.

Statement and Shares

The statement to shareholders is to be issued in the near future but has been delayed pending completion of exchange of securities under this year's reorganization. The annual meeting for this year will also be called when the statement is issued.

Some 20% of shareholders have not yet deposited their old securities for the new ones approved early this year. Holders of old preferred shares are entitled to 50% in new 6% debentures and 50% of the face value in new preferred. Holders of old class A shares are entitled to receive share for share of common stock of the consolidated company. The new securities will be issued shortly to shareholders who have turned in their holdings.

Directors of the company have approved a proposal to apply to the Toronto Stock Exchange for listing of the company's shares within the next nine months. An application to the exchange is anticipated after the statement is released for the year ending in March, 1937.

Paper Box Production

Production in 1935 in the paper box and bag industry of Canada was valued at $23.5 millions compared with $21 millions in 1934.

"LET US SERVE YOU AND YOUR FAMILY"

Crown Trust Service
Qualified to act in every individual and corporate trust capacity.

Crown Trust Company

WILLIAM I. GEAR, President, JOHN JENKINS, Vice-President
ARTHUR LYMAN, Vice-President, IRVING P. REXFORD, Gen. Mgr.

393 ST. JAMES STREET WEST, MONTREAL

EXECUTORS - TRUSTEES - FINANCIAL AGENTS

MINES AND INDUSTRIALS

WILLIAMS, McLEAN & BELL
MEMBERS TORONTO STOCK EXCHANGE
DIRECT PRIVATE WIRES TO
TORONTO·MONTREAL·NEW YORK

BRANCHES
107 BAY ST.
ADELAIDE-6061
297 BAY ST.
ELGIN-8124

HEAD OFFICE
TORONTO
25 RICHMOND ST., W.
ADELAIDE - 4902

BRANCHES
HAMILTON
IMPERIAL BLDG.
MAIN & HUGHSON STS.
BAKER - 1126-7-8

ARROWHEAD GOLD MINES LIMITED
(No Personal Liability)
Bought, Sold, Quoted

DUNCANSON, WHITE & CO.
Members Toronto Stock Exchange
Canadian Commodity Exchange, Inc.
New York Curb (Associate)
15 KING STREET WEST, TORONTO. WA. 3401-8.

CHRYSLER for 1937

Chrysler Imperial

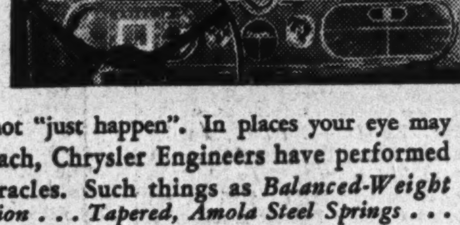
CANADA'S MASTERPIECE IN MOTORING LUXURY AT SUBSTANTIALLY REDUCED PRICES!

CHRYSLER IMPERIAL for 1937 stands supreme as the last word in motoring style, big-car comfort and luxury.

At rest—a greyhound straining at his leash . . . in motion—a thoroughbred in the full beauty of his rhythmic stride. All who see it thrill to the dynamic Chrysler Imperial.

Inside, rich fabrics and luxurious appointments, low floors and softly-pillowed, "chair-high" seats invite you to rest and relax.

Drive as far as you will . . . two, three, four hundred miles in a day . . . you step out refreshed and ready for work or for play.



Of course all this luxury and comfort did not "just happen". In places your eye may never reach, Chrysler Engineers have performed their miracles. Such things as *Balanced-Weight Distribution . . . Tapered, Amola Steel Springs . . . Aero-Hydraulic Shock Absorbers . . . New Sound-Absorbing, Rubber-Cushioned Body Mountings . . . Sound-proofing Insulations . . . Floating Power Engine Mountings . . . new Safety-Steel bodies with seamless steel tops*—all these and many more Chrysler Engineering advancements give you motoring at its luxurious best.

See the new Chrysler Imperial. Drive one! You will be delighted with the new 1937 Chrysler Imperial.

Chrysler Royal

AN ACHIEVEMENT IN LUXURIOUS MOTORING AT AN AMAZINGLY NEW LOW PRICE!

IT IS A TRIBUTE to the genius of Chrysler Engineers that they have been able to produce such a beautiful, luxurious, power-packed motor car as the new Chrysler Royal—at prices so little higher than are asked for cars in the lowest-priced field.

Entirely new . . . new in design . . . new in dynamic, action-line contour . . . a great new "Gold Seal" engine—93 horsepower, with the highest compression for its bore the world has ever seen. . . . *Uses ordinary gasoline* yet delivers three to four more miles per gallon than many engines of much less horsepower.

New in comfort—body rides cushioned on spools of live rubber that absorb road shocks and noise . . . new airplane-type shock absorbers . . . new quiet body, insulated against noise as scientifically as a broadcasting studio . . . new driving ease . . . new safety-styled interiors—all at a surprisingly *new low price!*

See and drive a Chrysler Royal. It now costs so little more to own the best. See your nearest Chrysler-Plymouth dealer today.

ROYAL LEADERS OF THE KING'S HIGHWAY

Investment Trends

Suspect Weakening In Stock Markets

High Volume May Indicate Distributive Phase of Trading But Belief Persists Recessions Should Be Used to Repurchase

The suspicion seems to be spreading among stock market analysts that continued high volume of trading around the highest levels of the year may mark distribution of securities to the public. This is also indicated by growth of brokers' loans, even though the increases seem moderate. The conclusion is that the technical position of stocks is weakening somewhat and that this may be reflected in price movements toward the close of this year.

Even those who have sold share holdings in recent weeks concede that stock prices are more likely than not to reach considerably higher levels in the next two or three years. But they prefer to await weakness or dullness in share markets before repurchasing. Marked recession of stocks from present levels would probably offer a good opportunity to invest, according to this opinion.

Continuation of extra dividend payments by American companies, and government spending, are natural expectations following re-election of Mr. Roosevelt.

While British money has been cool to Canadian bonds, it has been coming into this country for purchase of stocks, particularly Brazilian, National Steel Car, Canadian Car, and some Cockshutt Plow.

Brokers report their order books show many buying orders underneath the market and few standing selling orders, indicative of the investment support underlying the stock market.

Warnings Posted

FOLLOWING the pronounced rise of common stocks since the devaluation of gold currencies and the U. S. elections, market analysts are advising clients to pursue greater caution. In some cases, partial liquidation of stock holdings has been suggested. The reason for this is that the Wall Street market has risen to the maximum levels anticipated some weeks ago. At the same time railway stocks in New York have failed to follow the strength of industrials, and this is interpreted as an unfavorable indication. Finally, it is suggested that irregular weakness would not be surprising over the year-end holidays.

Prices have advanced sharply on Canadian stock exchanges. Montreal Stock Exchange average for industrial stocks has passed 90, showing a rise of over 30% this year. The Toronto Stock Exchange figure has been around 160, up over 25% from this year's low. These are comparable with the advances of stocks in New York.

Owing to the increasing difficulty of selecting stocks that seem under-priced on the basis of prospective earnings, investors who favor the view that industrial recovery will continue for some time are being advised to stick to established investment favorites among common shares.

* * *

Car Stocks

STRENGTH in shares of companies like Canadian Car and National Steel Car is attributed to possibilities that they will get orders directly or indirectly from the British rearmament programme. However, there is also talk of further orders for rolling stock from railways. Bids have been inserted in Montreal for Canadian Locomotive shares on the strength of this possibility. National Steel Car has hopes of some orders from South Africa.

Orders for rolling stock would do more to help companies of this sort than small orders for shells or similar war materials. Their latest statements reflect the benefit of last year's equipment orders, but to justify continued high prices for the shares more orders are necessary.

Oil Situation

STOCKS of crude oil in storage in the United States fell below 300 million barrels in October, the lowest level in 15 years. This situation developed in the face of the largest production since 1929, reflecting rapid growth in demand for petroleum products. The statistical situation, therefore, is regarded as strong, and prices for crude oil are expected to be firm, provided always that control of production at the wells is maintained satisfactorily.

The underlying strength in the price of crude oil is helpful to companies like British American Oil and International Petroleum, which have been able to increase their production in 1936. Imperial Oil, of course, shares in any benefits from International Petroleum. In view of this situation it appears puzzling that oil shares have not displayed greater strength in the recent rising stock market. Possibly the shares of companies with increasing production have been affected by sluggishness of shares of other companies whose output has been low.

* * *

Food Markets

CLAIMS of British canners that Canadian firms have been "dumping" canned foods in Great Britain under the 1932 Empire trade agreements are of more than passing interest for the investor. The agreements are up for renewal or revision in 1937 and major changes would affect the British market for products of such firms as Canadian Canners, Burns & Company, Canada Packers and others.

Although Canadian exports of canned foods to Britain have increased under the Empire agreements, all the types of foods we produce in this country are not competitive with British lines. One reason for the increase in Canadian sales in the British market is the rise of the pound sterling since 1932.

It is regarded as encouraging for Canadian food exporters that Rt. Hon. Walter E. Elliot has left the post of Minister of Agriculture in the Baldwin Cabinet. Mr. Elliot's policies were designed in terms of returns to British farmers instead of in terms to low prices for British housewives.

Adverse comment in Britain upon increased exports of food products from Canada may indicate one of the problems to be dealt with in renewing the Ottawa trade agreements. However, the fact is that Britain cannot feed herself, and in the event of war or other trouble would have to depend even more upon Canada. Consequently, there seems to be a good chance that the large Canadian food exporters will come out fairly well in the trade conversations. This, however, may lead to greater concessions in the Canadian market to British manufacturers of textiles and iron and steel products. Revelation to the public of Canadian Cottons' inventory reserves appears to have weakened the case of textile firms for maintenance of full tariff protection.

* * *

Recent increases in wages of miners working for the large Porcupine gold producers reflect a rise in the cost of living in Northern Ontario mining towns. It also indicates the inflationary effect of rising costs on gold mines. The price of gold is fixed at $35 an ounce. The full benefits of this appear to have been reflected already in earnings. If rising prices and wages follow devaluations of currencies, however, the mining companies will gradually find their costs of operation rising. Under such circumstances, the possibilities of further expansion of earnings of the older-established gold producers appear to be limited.

* * *

Canadians bought $3.7 millions more of securities from outsiders in September than outside investors bought from us. In the first four months of this year outsiders continued to take more securities off the Canadian market than Canadians bought abroad. The reversal of this trend must be regarded as a partial weakness in the investment structure in Canada.

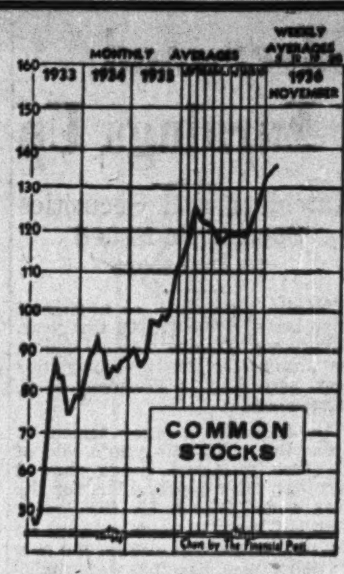
* * *

Farm Implements

SINCE the Canada - U. S. trade agreement came into effect last January, imports of American farm implements have risen sharply. In September, for instance, the value of such imports was $800,000 compared with $430,000 in the same month of 1935, nearly all from the United States.

Since the summer drought in western Canada, there has been little strength in shares of such companies as Beatty Bros. and Massey-Harris, although Cockshutt Plow has been firm. Keener price competition has been felt by such companies, and sales in many lines have not developed satisfactorily since the drought.

It begins to appear that definite recovery for firms depending upon rural income for substantial sales must be deferred at least another year. Firms like Beatty Bros. may benefit from extension of federal building improvement loans to allow installations of modern barn equipment.



HIGHEST SINCE 1930

At 136.8 for the week ended Nov. 5, the Dominion Bureau index of stock prices was the highest since July, 1930. The October average was 133.4, the peak month of the recovery movement to date. Comparative figures appear on this page.

Investment Notes

Kelvinator—The common shares are still well regarded in informed quarters close to the company despite the pronounced rise already this year.

* * *

Ford—Strength of the shares is apparently based on the attractions of the new 1937 models rather than on 1936 results.

* * *

Fanny Farmer—Now that election results indicate continuation in force of the U. S. corporation surtaxes on undistributed profits, it is expected that extra dividends will be continued, probably making a rate of $1 a share. Hence the rise of the stock.

* * *

McIntyre Porcupine — Earning over $4 a share, and paying only $2, McIntyre shares yield about 4-2/3% selling at $43. Real asset values are close to $20 a share, after deducting huge reserves. Among investments that have risen sharply in value, and continue to pay big dividends are: a large block of International Nickel, 10,000 shares American Metal, 2,000 shares Standard Oil of California, 2,000 shares Standard Oil of New Jersey, as well as investments in sponsored mining properties. Also, last year there were over $9 millions of government bonds. McIntyre shares begin to take on partially the appearance of investment trust securities.

* * *

Moore Corp. — There has been some impressive and well-informed buying in the common shares, apparently in expectations that improving business would allow increased dividends.

* * *

Alcohol—Whisky stocks are being "touted" around Montreal as the next group to be given a boost. These stocks are certainly volatile, as witness market action in the past. However, so many investors are holding on to these stocks, bought at much higher levels than those prevailing today, that there may be some difficulty in working up interest until some companies do more for the shareholders.

* * *

Canada Foundries—Stock of this company touched a new high this week. The stock has long been neglected, but reports of steadily improving earnings and, of course, armament orders, have renewed interest and no little buying.

* * *

General Steel Wares — Common stock of this company has come in for widespread trading of late. The reasons are many: Earnings are higher (both gross and net show a moderate increase for the year to date); armament orders (there are none, but prospects are in the same class as for Canadian Car and the others); and, lastly, a reorganization (which won't come about until after the president, John Newman, returns from England later on in the month).

* * *

Consolidated Paper—Too-enthusiastic buying sent the value of this company's common up over 9. Now that speculators have had time to digest the plan of reorganization, selling has forced the stock down to 6¾. There has been no material change in the company's position, but there is no percentage for the speculator in waiting three years, and possibly five years, before the management can do anything for the common.

* * *

United Steel — Directors are reported to be offering to buy the $25 class A preferred shares at $12.50 each up to Dec. 15. The dividend soon becomes cumulative and the chances of payment are improving, as shown in the report on page 3. If United Steel common is worth over $6 a share without earnings, which may be debatable, then the preferred should seemingly be worth closer to the par value of $25. In making the offer, it is stated that directors don't necessarily recommend that shareholders sell at the price of $12.50; caveat vendor, let the seller beware.

* * *

In a new edition of its booklet entitled "Twenty Outstanding Stocks," Mara & McCarthy, Toronto Stock Exchange firm, comments as follows:

B. A. Oil—"Appears to have attractive possibilities for appreciation over the medium and longer term."

Canada Malting—"Attractive on a yield basis."

Consolidated Bakeries — "The stock appears to have interesting long-term possibilities."

Consolidated Smelters—"Affords a satisfactory speculation for those interested in the future of the base metals."

Dominion Bridge — "Appears to have decidedly attractive long-term possibilities."

Fanny Farmer—"Appears to have very favorable prospects."

Ford of Canada—"Present price for the stock probably discounts all the unfavorable factors in the situation."

Goodyear Tire—"One of the more desirable Canadian investments."

Imperial Oil—"One of Canada's highest grade investment media."

International Nickel — "An ideal medium as a hedge against inflation."

International Petroleum — "The operating outlook appears distinctly bright . . . an exceptionally attractive hedge against inflation."

Loblaw Groceterias—"An investment security of merit, offering a reasonable yield and considerable market stability. Rapid price appreciation, however, is not probable."

Montreal Power—"The shares appear to have exceedingly attractive appreciation possibilities for the patient holder."

Moore Corporation—"Appears to have interesting long-term possibilities as a medium for speculation on further general business recovery."

Noranda Mines — "In many respects the stock is an ideal investment under present conditions. If recovery in trade continues, the company should benefit from higher prices for copper. If recovery lags and commodity prices fall, the gold production of the company should become more valuable."

Steel of Canada—"An excellent investment for those who believe that a period of industrial growth lies immediately ahead."

G. Tamblyn—"The new common stock, selling to yield nearly 5%, has attractive investment possibilities."

Walker-G. & W.—"Offers a reasonable yield as well as interesting speculative possibilities." Preferred—"A decidedly attractive investment."

George Weston—"An increase in dividend is expected in the near future. The stock offers good appreciation possibilities."

Laterrière, Que., has been authorized to pay interest coupons of Nov. 1, 1936. Interest from May 1, 1936, to Nov. 1, 1936, on bonds matured Nov. 1, 1934 and 1935, is also being paid.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel 15	Pulp and paper 6	Milling 5	Oils 5	Textiles and clothing 11	Food and allied products 18	Beverages 9	Total industrials 89	Total utilities 23	Total co's. 112
1929-35:*										
High	288.9	113.4	273.4	423.5	113.5	197.8	205.4	317.6	166.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
February	140.5	20.2	84.3	246.5	74.0	158.7	151.7	200.0	57.0	126.1
March	136.5	18.5	88.7	237.3	73.1	153.0	140.1	194.8	55.5	122.8
April	131.7	17.5	91.0	244.5	71.3	150.7	131.7	194.2	53.2	121.4
May	125.1	16.7	87.3	234.0	68.1	145.7	131.4	187.9	52.5	117.9
June	125.3	17.5	86.5	228.1	67.4	149.2	129.3	189.3	53.3	119.0
July	126.0	18.6	87.0	224.3	66.8	153.9	131.6	190.1	53.8	119.6
August	128.5	18.0	89.9	218.9	68.0	157.1	135.7	191.4	53.1	119.9
September	137.9	20.3	93.9	220.6	70.6	162.5	138.2	200.6	54.8	125.2
October	151.9	24.4	101.9	232.5	73.4	171.7	135.6	212.3	59.8	133.4
Weekly Figures, 1936:										
Nov. 5	159.2	24.9	103.9	238.0	74.7	175.2	133.7	218.6	61.8	136.8

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Nov. 10	159.38	147.00	178.08
Nov. 9	159.04	146.17	178.07
Nov. 7	158.85	145.37	177.97
Nov. 6	156.15	144.19	176.91
Nov. 5	157.24	143.57	177.36
Nov. 4	157.51	141.48	177.56
Month ago	150.06	135.82	151.59
Year ago	123.06	108.29	102.89
High, 1936	159.41	150.46	178.37
Low, 1936	125.71	115.97	123.59

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Nov. 10	80.5	94.0	89.5
Nov. 9	80.7	93.1	89.0
Nov. 7	80.8	93.3	89.2
Nov. 6	79.6	92.6	88.3
Nov. 5	81.1	92.5	88.7
Nov. 4	81.0	90.9	87.6
Month ago	78.3	86.7	83.9
Year ago	67.9	62.6	64.4
High, 1936	81.1	93.3	89.5
Low, 1936	67.2	69.5	68.9

Consumers' Gas Shows Improvement in Profits

Profit Totals $6.70 a Share After Deducting Statutory Reserve

TAXES INCREASE

Consumers' Gas Co. of Toronto in the year ended Sept. 30, 1936, fell $463,288 short of earning its common dividend after deducting the full statutory appropriation of $1,061,134 for the plant and buildings renewal fund. On this basis, earnings were equivalent to $6.70 a share, compared with dividend requirements of $10 a share and earnings of $6.41 a share in the year ended Sept. 30, 1935.

If, however, only the actual use of reserves for depreciation, renewals and maintenance is considered, then the dividend payment was more than earned, profits amounting to $10.72 a share compared with $10.25 a share last year. While $1,061,134 was transferred to the plant and buildings renewal fund, only $496,307 was expended on repairs and renewals. After allowing for the statutory reserve the company transferred $463,288 from its reserve fund which has been reduced from $6.4 millions to $5.9 millions.

Can Continue Dividends

During the past six years the company has found it necessary to make transfers from its reserve fund in order to meet dividends and statutory appropriations for the renewal fund. During the past four years this has resulted in a reduction in the reserve fund of approximately $500,000 annually. Assuming that earnings and expenses show little variation the company could continue to pay dividends on the present basis for 12 years. By this process it reduces its reserve fund and increases its plant and buildings renewal fund.

Working capital continues strong, although the surplus of current assets over current liabilities was reduced during the year by $93,596 to $2,754,337.

In his statement to shareholders, Thomas Bradshaw, president, draws attention to the continued upward trend in taxes paid by the company. Taxes, including Dominion income tax, Ontario corporations tax, workmen's compensation tax and municipal property tax, chargeable to the operations of the year amounted to $509,560, an increase of $19,047. The amount paid by the company for customs duties, excise taxes, fees and licenses was $351,254. Had the taxation rates of 1930 been in effect the company's tax bill would have been lower by $231,376.

Toronto Exchange Loans Up $4.3 Millions in Month

Borrowings of Toronto Stock Exchange members totalled $37.2 millions at Oct. 31, an increase of $4.3 millions in the month. This excludes loans on foreign securities and borrowings of affiliated bond firms.

Market value of listed securities rose $216.1 millions in October to a total of $5:6 billions.

Maritime Group Buys Marvens

From Our Own Correspondent

MONTREAL. — New Brunswick interests have purchased J. A. Marven Ltd. from McCormick's Ltd. This company formed part of the original Canada Biscuit merger. A new company has been formed with the name of Marven's Ltd., with Senator F. B. Black, as president, and W. A. Walker, as general manager.

In order to finance the transaction $25,000 of common stock was sold privately, while $150,000 of 6% cumulative, redeemable participating sinking fund preferred shares were sold to the public through Eastern Securities Co., at par and accrued interest.

Property acquired by Marven's is located at Moncton. Fixed assets at the end of last year were valued at $276,811 against which a depreciation reserve of $94,144 had been set up. These assets were purchased by the new company for $110,000. Net current assets, on completion of financing, are estimated to amount to approximately $75,000.

To the Holders of
Dominion Tar and Chemical Company Limited
6% Debentures, Series "A" and "B", due 1949

As these Debentures are being called for redemption by the Company at 103 on November 16th, 1936, interest will cease on that date. In order to avoid loss of interest, therefore, it is important that Debentures be forwarded for payment and the proceeds reinvested promptly.

For reinvestment, we suggest:
Dominion Tar and Chemical Company, Limited
4½% Debentures due November 15th, 1951
Denomination: $1,000.
Price: 100 and interest, yielding 4.50%

List of additional reinvestment suggestions will be forwarded upon request.

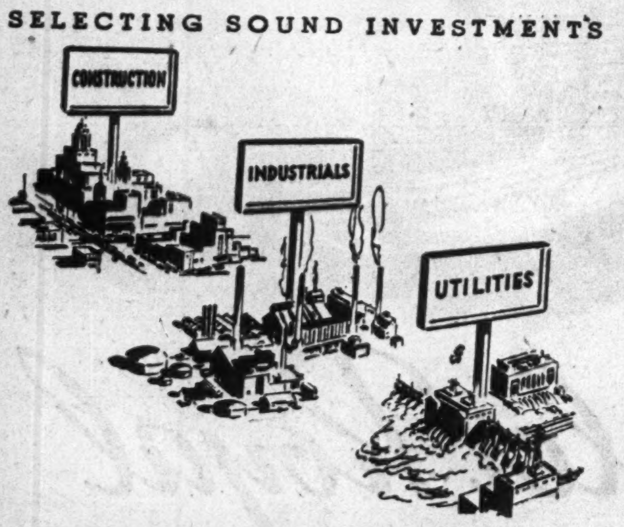
Wood, Gundy & Company Limited
36 King Street West
Toronto
Telephone: Elgin 4321
Toronto, Montreal, Winnipeg, London, Eng.
Ottawa, Hamilton, Vancouver, London, Ont.

Lake Rowan Gold Mines LIMITED
Red Lake District, Ontario

A condensed engineering report on this interesting and impressive property in the Red Lake District has just been prepared by a well-known consulting mining engineer of Montreal.

We shall be glad to forward a copy of this on request, together with other information concerning this property.

KIPPEN & COMPANY, INC.
Investment Securities
204 Hospital St., Montreal
Telephone: BElair 2646



SELECTING SOUND INVESTMENTS

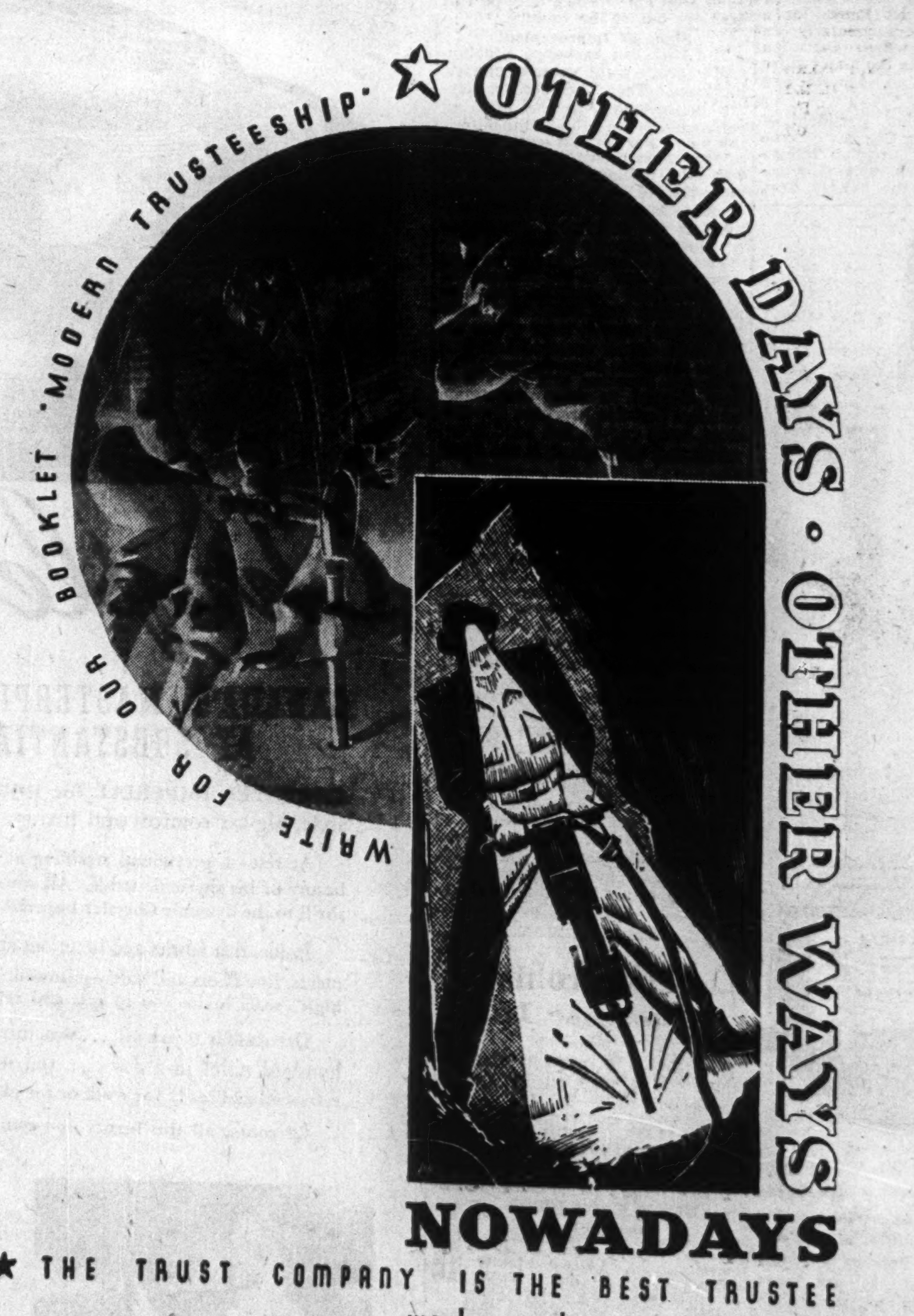
DIVERSIFICATION
by types of Industry

Neither during the downward nor upward swing of the business cycle is the lag and lead of industry uniform. Specific industries will enjoy the advantage of special conditions while others may temporarily be adversely affected.

Experience therefore dictates the wisdom of diversification of investments not only by type of security, but type of industry. For the long pull, Canada's great basic industries will show steady growth...... As this rate of growth may not be uniform, careful thought should be given to the proportion of your funds invested in each basic industry.

Our service is at your disposal.

NESBITT, THOMSON AND COMPANY LIMITED
355 St. James Street West, Montreal
Branches in all the principal cities of Canada


★ OTHER DAYS · OTHER WAYS
WRITE FOR OUR BOOKLET 'MODERN TRUSTEESHIP'

NOWADAYS
★ THE TRUST COMPANY IS THE BEST TRUSTEE
we keep abreast of the times and provide the utmost in reliability, experience and efficiency

NATIONAL TRUST COMPANY
LIMITED

toronto
montreal
hamilton

winnipeg
edmonton
saskatoon

Bond Markets

Bond Prices Advance Despite Dull Trading

Expectation of Continuance of Cheap Money Reflected in Market — Expect Toronto Harbor Commission Refunding

While trading continues at a low ebb, high-grade bonds have strengthened further. By degrees the market is regaining some of the ground it lost during the recent recession.

The improvement in the tone of the market has been due in part to the election returns in the United States which resulted in a notable demand in New York for U. S. government obligations at peak prices. This has been reflected in the Canadian market where a better demand for high grades has also developed. Continuance of cheap money is admittedly one of the objectives of the Roosevelt administration. Its policy in this regard is bound to have an effect on interest rates in Canada and assist the Canadian government in attaining the same objective.

It is expected that plans for refunding of $19.5 millions of Toronto Harbor Commission 4½% bonds will be announced in the near future. Such action was considered earlier in the year but was deferred due to the premium on sterling exchange. As a result of the recent decline in sterling it is now felt that refunding is feasible. The bonds are callable at 105 and notice of redemption must be given 90 days in advance.

Official announcement of a refunding issue for B. C. Power 5's and 5½'s has been made. The new issue will consist of 3%, 3½% and 4¼% bonds.

Prince Edward Island has sold an issue of $250,000 of 10-year 3% bonds.

Quebec Conversion

INVESTORS have nothing to fear from the Province of Quebec Act authorizing the conversion of the entire debt of the province, or any part of it.

There is no intention on the part of the government to embark on a forced conversion scheme. Neither does it contemplate undertaking a voluntary conversion scheme for the entire debt in the near future. The bill merely gives the province authority to convert its debt if this should prove feasible or desirable.

Under the bill the government is authorized to change the form of any part of the existing public debt of the province by substituting one class of securities for another, provided the capital of the debt is not increased. Provision is made, however, that no such substitution can be made without the consent of the holder or unless the security is redeemed by the government.

Any conversion loans that may be undertaken are restricted to a term of not exceeding 30 years, and to interest rates not exceeding 4%.

* * *

Market Notes

THE market for western provincial bonds has improved. Alberta issues continue to advance, gains of from one to three points being recorded. Saskatchewan bonds have also strengthened, while Manitoba's have remained firm.

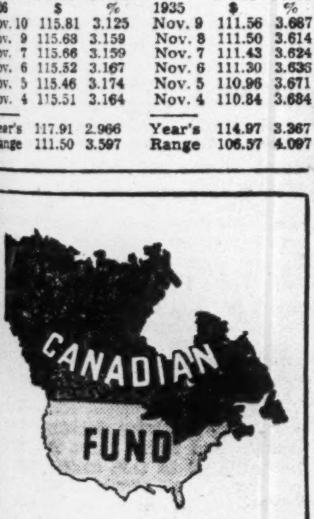
Reflecting favorable sentiment aroused by the budget speech of Hon. John Hart, minister of finance for British Columbia, and the budget results in the current year to date, demand has developed for British Columbia bonds, prices advancing from one to two points.

High-grade corporation bonds have been quiet but firm. With the exception of Great Lakes Paper 5's, newsprint bonds have eased off slightly as a result of profit taking.

The trend of the high grade market is indicated below:

The Financial Post Index of Average Price and Yield of High-grade Government Bonds.

1936	Price $	Yield %	1935	Price $	Yield %
Nov. 10	115.81	3.125	Nov. 9	111.56	3.687
Nov. 9	115.68	3.159	Nov. 8	111.50	3.614
Nov. 7	115.66	3.159	Nov. 7	111.43	3.624
Nov. 6	115.52	3.167	Nov. 6	111.30	3.636
Nov. 5	115.46	3.174	Nov. 5	110.96	3.671
Nov. 4	115.51	3.164	Nov. 4	110.84	3.684
Year's	117.91	2.966	Year's	114.97	3.367
Range	111.50	3.597	Range	106.57	4.097



Prospectus and semi-annual report of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.

CALVIN BULLOCK, LTD.

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Three insertions for the price of two. Add five words when box number is required. Classified ads payable in advance.

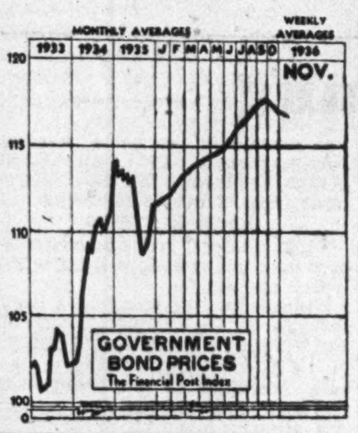
Capital Wanted

OWNER OF 3,840 ACRES IN AN Eastern Mining District, with a large ore body carrying high values in Lead-Zinc-Copper-Silver and Gold, seeks capital to develop this property. Would like to get in touch with financial interest to form a company. If interested, write Box 1, The Financial Post, Toronto, Canada.

DEBENTURES

Municipal debentures for sale. Sealed tenders will be received to twelve o'clock noon, November sixteenth, 1936, at the office of the clerk for the following blocks of village of Exeter debentures: (1) Twenty-eight thousand dollars thirty year serial. (2) Six thousand dollars thirty year serial. (3) Ten thousand dollars sixteen year serial. All bearing interest at four per cent, payable annually. Tenders to include: (A) Printing of debentures. (B) Funds payable at par Exeter. (C) Procuring of legal opinion.

JOSEPH SENIOR,
Clerk, Box 250, Exeter.



No Scheme as Yet For Nat. Grocers

Question of Preferred Dividend Arrears Shelved

No progress is being made by National Grocers Co., Toronto, in evolving a satisfactory plan for liquidation of preferred dividend arrears of $31.50 a share, The Financial Post is informed, and the matter has been shelved for the time being.

While several plans have been proposed, directors have been forced to reject them because of various objections. The management, however, is still hopeful that some arrangement may be made. If unsuccessful in evolving a satisfactory plan the company will continue its policy of paying regular preferred dividends and liquidating the arrears by cash payments. Liquidating arrears in this manner would take several years, although it is likely all available earnings would be used for this purpose since the company enjoys a strong working capital position.

Earnings in the year ended March 31, 1936, were equivalent to $14.46 per share on the preference stock, compared with dividend payments of $10.50 a share. Business this year to date has been satisfactory and sales are a little higher, so that expectations are that profits will be as large as last year.

St. Siméon, Que., has been authorized by the Quebec Municipal Commission to pay interest coupons of Nov. 1, 1936.

Public Utility Earnings

Jamaica Public Service

	1936 $	1935 $
September—		
Gross earnings	68,052	68,970
Net earnings	25,804	28,189
Surplus after charges	17,209	19,564
12 Months End Sept. 30:		
Gross earnings	875,282	850,574
Net earnings	347,115	347,912
Surplus after charges	243,192	244,169

Dividends Declared

	This payment	Date payable	Date of record
Andian National	$1+$1	Dec. 1	Nov. 20
Anglo-Huronian	30c	Dec. 1	Nov. 19
Buff. Ankerite	5c	Nov. 15	Nov. 1
Bk. of Commerce	$2	Dec. 1	Oct. 31
Bk. of Montreal	$2	Dec. 1	Oct. 31
Bk. of Toronto	$2.50	Dec. 1	Nov. 14
Belding Cort.	$1	Jan. 2	Dec. 15
Do., pref.	$1.75	Jan. 2	Dec. 15
Borden Co., c.	40c	Dec. 1	Nov. 14
Bk. of Canada	$1.13	Jan. 2	Nov. 30
Bk. Can. Nationale	$2	Dec. 1	Nov. 14
Biltmore Hats, pf.	$1.75	Dec. 15	Nov. 15
Bulolo Gold	‡1.40	Dec. 10	Nov. 19
Can. Wire & Cable pfd.	*2.75	Dec. 23	Dec. 1
Canadian Oil, c.	12½c	Nov. 16	Nov. 1
Cosmos Imp.	20c	Nov. 14	Oct. 30
Do., pref.	$1.25	Jan. 15	Dec. 31
Can. Converters	50c	Nov. 16	Oct. 31
Confed. Life	$1	Dec. 31	Dec. 25
Dom. Bridge	30c	Nov. 14	Oct. 31
Electrolux	40+30c	Dec. 15	Nov. 14
Gurd, Chas., pfd.	$1.75	Nov. 15	Nov. 1
Int. Nickel, c.	40c	Dec. 31	Dec. 1
Imperial Oil	‡25+37½c	Dec. 1	Nov. 13
Inter. Pete.	75+50c	Dec. 1	Nov. 20
Kelvinator, pfd.	$1.75	Nov. 16	Nov. 5
Kirkland Lake	3c	Dec. 1	Nov. 12
Lake of Woods, pf.	$1.75	Dec. 1	Nov. 14
Do., arrears	$14	Dec. 1	Nov. 14
Loblaw Groc., A & B	25c	Dec. 1	Nov. 12
Laura Secord	75c	Dec. 1	Nov. 14
McKenzie R. Lake	3c	Dec. 15	Nov. 30
Do., extra	1c	Dec. 15	Nov. 30
McColl-Fron., c.	20c	Dec. 15	Nov. 14
McKinley Mines	2½c	Dec. 1	Nov. 19
McIntyre Porc.	50c	Dec. 1	Nov. 2
National Biscuit	40c	Dec. 15	Nov. 13
Do., pref.	$1.75	Nov. 30	Nov. 13
Nor. Can. Mining	2c	Dec. 1	Nov. 20
Noranda Mines	$1.75	Dec. 22	Dec. 1
Neon Prod. of W. Can., pf.	$1.50	Nov. 1	Oct. 15
N.S. L. & Pr., pf.	$1.50	Dec. 1	Nov. 14
Ont. Steel, pf.	$1.75	Nov. 16	Oct. 31
Do., arrears	$2	Dec. 16	Oct. 31
Royalite Oil	50c	Dec. 1	Nov. 13
Do., extra	25c	Dec. 1	Nov. 13
Quebec Power	25c	Nov. 16	Oct. 27
Rolland Paper c.	25c	Nov. 16	Nov. 12
Rolland Paper, pf.	$1.50	Dec. 1	Nov. 14
Royal Bank	$2	Dec. 1	Oct. 31
Stand. Steel, pf.	75c	Nov. 16	Oct. 30
Do. on arrears	75c	Nov. 16	Oct. 30
Shawinigan W.	15c	Nov. 16	Oct. 29
South. Can. Pwr., c.	20c	Nov. 16	Oct. 31
South. Amer. Gold	10c	Dec. 10	Nov. 25
Sylvanite Gold	5c	Dec. 31	Nov. 16
United Corp., A	$1	Nov. 16	Oct. 31
Tamblyn, c.	†20c	Jan. 1, '37	......
Toburn Gold	2c	Nov. 21	Oct. 21
Tor. Elevators, c.	$1	Nov. 25	Nov. 10
Ventures	2½c	Jan. 2	Dec. 15
Walker, H.	50c	Dec. 15	Nov. 20
Do., pref.	25c	Dec. 15	Nov. 20

†Initial. *On arrears. ‡Interim.

B.C. Power Corp. To Refund Bonds

Shareholders Meet Nov. 16 to Consider New Issue

From Our Own Correspondent

MONTREAL. — Holders of the Class B shares of British Columbia Power Corp. have been notified that a meeting will be held Nov. 16 for the purpose of voting upon a plan for the redemption of existing bonds of the company and the issuance of lower coupon bonds to replace them.

The proposed new financing will probably be undertaken in the next week or two, arrangements having been made with Nesbitt, Thomson & Co. and Wood, Gundy & Co. to underwrite the issue. It is understood that the new issue will consist of 3% and 3½% short term serial bonds and 4¼% 25-year bonds.

Imperial, Pete, Andian Declare Dec. 1 Dividends

Imperial Oil Ltd., International Petroleum Co. and Andian National Corp. have declared their usual half-yearly dividends, with additional "special" payments, to be disbursed Dec. 1.

Imperial Oil is paying 25 cents regular plus 37½ cents extra, a total of 62½ cents a share.

International Petroleum 75 cents regular dividend and 50 cents "special" a total of $1.25 a share.

Andian National dividend is $1 regular plus $1 extra or $2 a share.

Shareholders should note that these issues are not ex-dividend until Dec. 1 and that sellers prior to that date are not entitled to receive the payments even though they possess registered certificates.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Hyd.-Elec. Pr. Ont.	3½-5%	1962	Apr. 1 '37	100
Dom. Tar, A, B.	6%	1949	Nov. 16	103
Simpson's, A	6%	1949	Nov. 20	104
Do., B	5½%	1949	Nov. 20	104
Riordon Pulp	†6%	1942	Dec. 31	105
H. Walker	†4½%	1945	Dec. 1	104
H. Smith Pap.	5½%	1953	Dec. 1	104
Mississippi River	5%	1951	Jan. 1	105
Avon River, A	5½%	1956	Jan. 1	103
Do., B	5½%	1957	Jan. 1	103
Do., C	5½%	1958	Jan. 1	103
Can. Bread	6%	1941	Feb. 1	110
Porto Rico Tele.	6%	1944	Dec. 1	105
Hospital of Infant Jesus, Que.	...	*	Feb. 1	101

For sinking fund: ‡$81,000.
†Partial redemption. *Maturing from Aug., 1937, to 1956.

Stock Issues:	Rate	Stock	Date	Price
Stanfields	6%	Pref.	Dec. 15	42

Union Gas Co. Reports Loss For 6 Months

House-heating Installations Show Sharp Increase in London

COSTS HIGHER

Union Gas Co. and its wholly-owned subsidiaries, Windsor Gas Co. and City Gas Co. of London, report a consolidated net loss of $19,341, after depreciation and all charges except Dominion income tax, for the six months ended Sept. 30. This compares with a profit of $11,333 in the corresponding period of 1935.

Higher operating costs and an increase of $34,062 in depreciation charges were responsible for the poorer showing. The higher operating costs were incurred in obtaining new house-heating business, particularly in the London, Ont., market.

House-heating Installations

It is expected, however, that the development of new house-heating business in London will be reflected in improved earnings during the coming winter. The company now has 5,070 house-heating installations in the London market compared with 990 a year ago.

Since the most profitable period for the company is the last half of its fiscal year, the results of the first half cannot be taken as an indication of what the year's experience may be.

Because of the large volume of new business in the London area since the change-over to natural gas in that city, the company is now constructing duplicate transmission lines in the Dawn field and from the field to London. This will ensure its ability to take care of any possible peak demands made by heating installations during severe winter months.

The company is actively proceeding with development of gas reserves and recently brought a large new well into production in the Dawn field. Three new markets are now being served by the company's Dawn Field-London line, these being Mount Brydges, Appin and Byron.

Municipal Finances

School Corporation of Jonquière, Que., has been authorized by the Quebec Municipal Commission to pay interest coupons due Nov. 1, 1936.

* * *

Town of Jonquière, Que., which is under supervision of the Quebec Municipal Commission, is paying interest coupons of Nov. 1, 1936.

* * *

Peterboro, Ont., total tax collections for the first nine months of 1936 were $26,623 higher than in the same period of 1935, amounting to $651,495.

* * *

Moncton, N.B., reports improvement in its position in 1936 to date. Tax collections in the first nine months of the year increased $40,493. In addition the bank overdraft was reduced from $180,908 to $108,974.

Bond Tenders

4 p.m., Nov. 16, Berthierville Sch. Mun.—$46,000 interest not exceeding 4%, dated Oct. 1, 1936, redeemable serially up to 1960, or to 1959.

8 p.m., Nov. 16, Victoriaville, P.Q.—$17,500 4%, dated Oct. 1, 1936, redeemable serially from Oct. 1, 1937, to Oct. 1, 1956. Wellie Fortier, sec.-treas.

8 p.m., Nov. 16, Sorel, P.Q.—$232,000 4%, dated Dec. 15, 1936, redeemable serially from Dec. 15, 1937, to 1951. A. O. Cartier, city clerk.

12 noon, Nov. 16, Village of Exeter—$34,000 4%, 30-yr. serial; $10,000 4%, 16-yr. serial. Joseph Senoir, clerk. (See announcement on page 5.)

4 p.m., Nov. 23, Saint Jerome, P.Q.—$17,000 3½, 4, 4½ or 5%, dated June 1, 1936, redeemable serially to Dec. 1, 1945. Emile Martin, clerk.

8 p.m., Nov. 23, Saint Hyacinthe, P.Q.—$39,000 3½%, dated from Aug. 1, 1934, redeemable serially from Aug. 1, 1937, to Aug. 1, 1964; $24,500 3½%, dated from June 1, 1935, redeemable serially from Dec. 1, 1937, to 1965; $84,500 3½%, dated from Dec. 1, 1935, redeemable serially from Dec. 1, 1937, to 1965; $100,000 3½%, dated Sept. 1, 1936, redeemable serially Sept. 1, 1937, to 1966. M. A. David, clerk.

12 noon, Nov. 13, Dominion of Canada Treasury Bills—$25,000,000, dated Nov. 16, 1936, payable Feb. 15, 1937. Bank of Canada, Ottawa.

Company Reports

Toronto Elevators Ltd.

Toronto Elevators Ltd., and its subsidiary, Sarnia Elevator Co., report a slight improvement in earnings for the year ended July 31, 1936. Earnings were equivalent to $12.47 a share on Toronto Elevators 7% preferred stock and $3.20 a share on the common, compared with figures of $12.22 and $3.04 a share respectively in the preceding year. The usual annual dividend of $1 a share has been declared on the common.

After reducing the city of Sarnia loan by $34,084 and applying some $31,000 of earnings to increase of assets, working capital was expanded by $115,304. The balance sheet shows $330,000 of notes payable on building loan 1937-1939 in connection with the doubling of Toronto capacity. Increased volume of storage is reflected in higher inventories securing larger bank loans.

Consolidated Income and Surplus Account Years Ended July 31

	1936 $	1935 $
Net earnings	385,312	359,912
Less: Deprec. res.	124,526	117,589
Interest	42,209	32,175
Income tax res.	33,289	28,496
Net profit	185,288	181,652
Less appropriations:		
Preferred divds.	104,006	104,456
Common divds.	25,426	25,000
Surplus for year	55,856	52,196
Add: Prev. surplus	532,269	480,073
Balance forward	588,125	532,269

Working Capital

	1936 $	1935 $
Current assets	6,785,201	5,348,297
Current liabilities	5,807,992	4,486,393
Working capital	977,209	861,904
Ratio	1.17—1	1.19—1

Consumers' Gas Co.

Reduction in revenue from gas sales, residuals produced and interest on investments of Consumers' Gas Co. for the year ended Sept. 30 last, were more than offset by increased sales of merchandise and lower operating costs so that the company reports slightly higher profits than in the previous year. After reserves and renewals, profit amounted to $10.72 a share compared with $10.25 a share in the year ended Sept. 30, 1935.

Income and Surplus Account Years Ended Sept. 30.

	1936 $	1935 $
Gross earnings:		
Gas sales	5,226,763	5,234,375
Residuals produced	1,640,060	1,688,708
Merchandise sold	252,897	228,970
Misc. revenue	6,384	7,661
Total gross earns.	7,126,104	7,159,714
Less: Prod., distrib. & adm.	5,200,370	5,287,566
Net oper. from earn.	1,925,734	1,872,148
Add: Int. earns. (net)	77,632	81,172
Net profit	2,003,366	1,953,320
Less: Dividends	1,405,520	1,405,520
Surplus for year	597,846	547,800
Add: Trans. from res. fund	463,288	504,215
	1,061,134	1,052,015
Less: Trans. to plant & bldgs. fund	1,061,134	1,052,015

Working Capital

	1936 $	1935 $
Current assets	4,136,734	4,138,278
Current liabilities	1,382,398	1,290,345
Working capital	2,754,336	2,847,933

Hiram Walker-G. & W.

Hiram Walker-Gooderham & Worts Ltd. and subsidiaries, in the statement for the year ended Aug. 31, 1936, show earnings of $6.56 a share on the common stock, which compares with $4.58 a share in the preceding year. The company statement shows results in greater detail than did the preliminary figures.

An increase of over $9.5 millions is shown in working capital, due partly to issue of $8 millions of convertible debentures. Bank loans are reduced from $7.6 millions to $1.5 million. Total assets were increased slightly despite deduction of depreciation reserve from plant values.

U. S. inventories of spirits were increased from 8.8 million to 19.2 million proof gallons. British and Canadian stocks were increased from 12.9 to 13.4 million gallons. The total inventory of spirits was carried at $12.8 millions in the balance sheet.

President W. J. Hume attributes the improvement in earnings largely to the increase of $9 millions in sales which totalled $54.7 millions.

Consolidated Income and Surplus Account Years Ended August 31

	1936 $	1935 $
Earnings for year	7,226,291	4,317,276
Less: Int. on bank loans	115,548	216,026
Legal fees	183,598	78,899
Officers' and directors' salary	124,250	111,233
Prov. corp. tax prov.	......	5,737
	6,802,895	4,105,381
Add: Dividends rec.	10,500	1,500
	6,813,395	♦4,106,381
Less: Depreciation	591,065	567,839
W/o improvements▪	81,644	61,490
Directors' fees	4,500	4,558
Income taxes	964,958	307,344
Debenture int.	225,722	......
Deb. disc.& exp.	22,068	......
Loss on cap. assets	52,249	......
Prov. for conting.	75,070	......
Net profit	4,796,120	3,165,650
Less appropriations:		
Preference dividends	460,818	460,818
Com. divds	990,000	......
Surplus for year†	3,345,302	2,704,832
Add: Previous surplus	8,244,483	7,269,067
Tax adjust.	63,527	......
Less: Inc. tax (prior year)	......	54,519
Settlement of claims*	1,000,000	......
Excess of insur.	72,354	......
W/o goodwill, patents, etc.	......	1,674,917
Bal. carried forward	10,580,958	8,244,483

♦After providing for U. S. federal income and capital stock taxes.
▪On leased premises in U. S.
*Asserted by the U. S. treasury department.

Working Capital

	1936 $	1935 $
Current assets	26,373,514	20,804,931
Current liabilities	5,874,753	9,848,133
Working capital	20,498,761	10,956,798
Ratio	4.49—1	2.11—1

Consolidated Paper Seeks Bondholders' Aid

From Our Own Correspondent

MONTREAL.—Consolidated Paper Corp. plan to meet the obligation of fixed charges on its funded debt is along the lines forecast in The Financial Post.

The proposal set forth in the official notice sent out by the trustee provides that in return for waiving their rights to interest in the next three years and agreeing to place the bonds on a cash and/or stock basis in the subsequent two years, the company will give bondholders 15 shares of common stock for each $1,000 bond held.

Nowhere in the plan does it say stock is to be given in lieu of interest payments. This feature is emphasized in clause 2 (a) of the plan which says "the company shall be under no obligation to make any payment of interest on the market securities in respect to the three years commenced July 2, 1936."

Issue 771,105 Shares

Provided that the proposal is approved by bondholders, the authorized capital will be increased from 2 million to 3¼ million shares, and the bondholders allotted 771,105 shares or a ratio of 15 shares for each $1,000 bond outstanding—"all such shares to be fully paid and unassessable by virtue of the passing of such extraordinary resolution or resolutions."

Bondholders are also asked to approve a proposal whereby for the years ended July 2, 1940 and 1941, cash interest payments will be made at the regular rate of 5½% provided such payment does not reduce net working capital below $10 millions. In that case authority is given the company to pay part in cash and part in stock.

Dilution in Stock Equity

Under normal circumstances, Consolidated Paper would be called upon to pay out $2.8 millions annually, representing 5½% interest on the funded debt of $51.4 millions. In determining the amount of shares to be allotted, the stock is valued at $11 a share, or five shares for each $1,000 bond, making 15 shares in all.

The cash interest which the bondholders would receive in the three years ended July 2, 1939, if the company were in a position to pay, would amount to $82.50 for each $1,000 bond. In giving up the rights to interest, the holder receives 15 shares having current market value of $127.50.

Income Tax Question

A point of considerable interest and importance to the bondholders is what attitude will be taken by Ottawa on the distribution of the stock. Will the Department of National Revenue regard the stock as payment in lieu of interest, in which event it would be taxable, or as a distribution of assets, which would make it tax free?

Consolidated Paper values the stock to be allotted at $11 a share, making an aggregate of nearly $8.5 millions. If Ottawa decides this stock is to be regarded as income, and values it as does the company, the bondholder will be faced with having to pay three years taxes in one year. The stock allotted under the plan, on the other hand, is regarded as a distribution of assets and not as income.

Another point of interest is that the plan does not provide any guarantee against further dilutions of the equity during the period this plan is in force.

May Dilute Equity

Part 2, Section B, Clause 6, of the plan clearly states that notwithstanding any obligations in respect to payment by delivery of its shares of interest on the mortgage securities, the company reserves to itself the right to increase or reduce its "authorized or outstanding capital stock, or to create an issue of preferred shares."

This clause deprives bondholders of any guarantee that the stock they receive under the plan will not be further diluted, or subordinated to another class of stock, having priority of rights to equity or earnings.

The plan put before the bondholders also asks for the deferment of sinking fund payments until March 1, 1941, changing the basis of computation, an amount of 1% of the outstanding securities, and 25% of net earnings after deducting bond and debenture stock interest, but before depreciation and depletion, provided such payment does not reduce net working capital below $10 millions.

Meantime, L. J. Belnap, president, has sent a letter to bond and stock holders setting forth the financial position of the company. He points out that net earnings before depreciation, deletion of bond interest for the five months ended August 31, 1936, amounted to $1,375,183. This compares with $2,269,449 in the previous 12 months.

Bank loans at the end of August amounted to $9,186,784 as against $11,050,725 at the end of last March. Capital liabilities, Montreal Trust Co. loan, and bonds of subsidiary companies, have been further reduced.

Need For Adjustment

The president further says:

"Although these results and the outlook are encouraging, the fact remains that our present financial position and earnings are insufficient to provide for fixed charges. Moreover, newsprint paper, our chief product, is still selling at a low price and taxes and costs of operation are increasing. In my judgment, in which all the other directors concur, the corporation should accumulate a working capital of not less than $10 millions in order to be properly financed to handle its business. Now, we are obliged to finance current requirements with bank loans and actually have a working capital deficit of a substantial amount. Moreover, there should be set aside each year out of the earnings, to cover depreciation and depletion of the corporation's plants and properties, from $3 millions to $4 millions. Thus far, the earnings have been insufficient to cover these items.

"I should, in conclusion, draw to your attention the fact that the company's bankers have agreed, if this plan is carried out, to make concessions to the corporation, in respect of existing loans and any future loans which they may make, which the directors consider will be of material advantage to the corporation."

CONSOLIDATED PAPER

Should the bonds and common stock be bought? 1935 earnings were double those of 1934. Current earnings are 50% ahead of 1935.

H. J. Dingman & Company Limited
Established 1908
330 Bay Street,
TORONTO 2

To Bondholders and Debentureholders of
Lake St. John Power & Paper Co. Limited

Your Committees unanimously recommend acceptance of the Scheme for Reorganization, details of which have been sent to all Bondholders and Debentureholders of record.

Large representations are required to obtain a quorum at each of the forthcoming Bondholders' and Debentureholders' Meetings. It is therefore essential that Bond and Debenture Holders either be present at the respective Meetings in the King Edward Hotel, Toronto, at 11 a.m. on November 26, 1936, *or be represented by proxy.*

Complete information and the forms for the deposit of Bonds and Debentures for use at the Meeting and proxy forms are available at any of the offices of National Trust Company, Limited, or at the offices of the Secretaries of the Committees.

If you have not deposited your Bonds or Debentures, and obtained a Voting Certificate, you are requested to do so as soon as possible. If you cannot be present at the Meetings in person you are urged to execute a proxy and forward it to the National Trust Company, Limited, Toronto.

D. H. McDOUGALL,
Chairman, Bondholders' Committee.

D. FRASER WILSON,
Secretary, Bondholders' Committee
15 KING ST. WEST, TORONTO
Telephone: Waverley 3681

A. STEWART McNICHOLS,
Chairman, Debentureholders' Committee.

OSWALD BRAND,
Secretary, Debentureholders' Committee
132 ST. JAMES ST. WEST, MONTREAL
Telephone: Belair 2674

Look at La Salle!
V-8
CADILLAC MOTOR
$1475
AND UP

If you want to escape from commonplace performance, look at La Salle!

La Salle for 1937 is powered with a Cadillac-built V-8 engine—stepped up to 125 horsepower—with a new high ratio of power to weight.

It has the smoothness, the quietness, and the powerful, responsive acceleration that could only come from Cadillac, where the first V-8 engine was built.

And because of the long life and low upkeep cost traditional in Cadillac-built engines, the new V-8 La Salle is remarkably inexpensive to own.

Visit the Cadillac-La Salle showrooms today, without fail. Look at La Salle, then drive it. Do just these two things and your next car will be a V-8 La Salle!

**Monthly payments to suit your purse on the General Motors Instalment Plan. All prices list at Windsor, subject to change without notice. Taxes included. — Model illustrated above is the La Salle 5-Passenger Touring Sedan, $1677. A General Motors Value.*

CADILLAC *Series 60* $2081* AND UP [NOW ON DISPLAY] CADILLAC FLEETWOOD $3498* AND UP

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada. **The Financial Post Has the Largest Paid Circulation of Any Canadian Financial Paper**

Editor—FLOYD S. CHALMERS
Business Manager—D. M. GOWDY

THE FINANCIAL POST BUSINESS YEAR BOOK, YEARLY, $2.
THE FINANCIAL POST SURVEY OF CORPORATE SECURITIES, YEARLY, $2.
THE FINANCIAL POST SURVEY OF MINES, YEARLY, $2.
THE FINANCIAL POST RECORD OF PROSPECTUSES, HALF YEARLY, $7 per volume.
THE FINANCIAL POST CORPORATION SERVICE, $20 monthly. Special prices for individually selected investor's service.
DIRECTORY OF CANADIAN DIRECTORS AND OFFICIALS, YEARLY, $10.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
481 University Ave., Toronto 2.
Founder and Chairman — JOHN BAYNE MACLEAN
President — HORACE T. HUNTER
Vice-President and General Manager—
H. VICTOR TYRRELL

ADVERTISING RATES
Single insertion—$3.64 per inch.
Debenture and Dividend Notices—36c. per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE
Canada, United States, Mexico, British Empire, $5 per year, all other countries, $6.

MONTREAL—Dominion Square Bldg., Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.
GREAT BRITAIN, London, Resident representative: J. K. Ross-Duggan, Sun of Canada Bldg., 2, 3 and 4 Cockspur St., London S.W.1. Telegraphic Address, Atabek, Lesquare, London.

TORONTO, NOVEMBER 14, 1936

"Secret" Reserves in Business

THE scare headlines that have become almost inseparable from the textile enquiry touched a matter of wide interest to business and to investors last week when "secret" company reserves got the spotlight.

The facts appear to be that for upward of 20 years, Canadian Cottons, Ltd., has made an annual adjustment of inventory by taking an arbitrary discount off the selling price of its stock-in-trade when making up this inventory. This "cushion" or "reserve" was not shown in the published balance sheets. In 1920 the reserve reached a peak of $2.3 millions, dipped the next year to less than $700,000, and since that time has varied between $1.5 and $2.5 millions. The actual amount at the end of March, 1936, was $2.3 millions compared with $2.2 millions in 1935, and $1.8 million in 1934.

Since important matters of business practice are involved, and since there is a considerable investment interest in Canadian Cottons, Ltd., there are several pertinent questions not made clear by the enquiry which might usefully be investigated.

In the first place, was the setting up of such a reserve customary in ordinary business practice? Secondly, was this particular reserve legal and aboveboard as far as governmental tax records were concerned? And, finally, was the method used by the company in respect of this particular fund, wise and reasonable?

Business firms which deal in price-volatile materials such as cotton, wheat or rubber, must undoubtedly take steps to protect inventories when prices are far out of line with normal quotations. A leading Canadian industrialist told The Financial Post last week that in 26 years of business experience he had seen the price of his chief raw material range all the way from 2⅝ cents to $4.25 per pound. Cotton has fluctuated though not on quite such a grand scale.

To protect a company buying and selling such materials, special reserves are necessary, but the method used by Canadian Cottons is of such nature as immediately to cast suspicion on the company. In other words instead of the normal method of building up a contingency or special reserve to meet price fluctuations—a reserve which could appear either separately or merged with other reserve funds—the company achieved the same result by an arbitrary writing down of inventories which in 1936 would seem to have amounted to as much as 55 per cent.

Once an erratic or inflated market has spent itself many executives believe it is in the best interest of the business to liquidate any special reserves of this nature and conduct business on a normal basis using customary surplus and reserve accounts. In short, they would keep inventory reserves only for periods of special stress and liquidate them once the emergency had passed. The Canadian Cottons reserve seems to have been largely cumulative and never to have dropped below $700,000 even in the post-war collapse of 1920-21.

As to the legality of the practice adopted by Canadian Cottons the evidence is contradictory but appears to indicate that tax officials were not aware of the existence of this reserve and had no knowledge that an arbitrary write-off was being made.

The company has also laid itself open to criticism in not having intimated to its shareholders that such a fund was in existence. Dr. Dawson in his evidence indicated that shareholders who attended the meetings knew of the existence of such a reserve but not the amount. What was said at these meetings and how recently the matter was discussed has not been disclosed. In any event the number of shareholders who attend such affairs is usually negligible.

Dr. Dawson, president and managing director of the company, is one of the best known industrialists in Canada and a man who knows, not only the need for sound bookkeeping but also the value and importance of clear, intelligible annual statements. Yet in 1934-35 the company showed a net profit of only $152,000, which fell short of meeting preferred and common dividend requirements by $177,000. Information brought out by the textile enquiry would seem to indicate that the figure of $152,000 was arrived at after increasing by almost $400,000 this secret reserve for inventory—a transfer not indicated in any way on the company's published records. It seems difficult if not impossible to justify such procedure in the light of anything that can be called sound or reasonable business practice.

A Good Neighbor

A MAN who styles himself Canada's "good neighbor" has been given an amazing vote of confidence amounting almost to a grant of dictatorial power in the United States for the next four years. That such an event will have important consequences in Canada, no one can question.

In the first place, the return of Roosevelt should ensure continuation of favorable trade relations between the two countries—not only for the life of the present treaty, but in all probability until 1940 or later. This is a matter of considerable importance to a great many groups in Canada—especially those whose trading policies depend for success on being able to plan reasonably far into the future.

His return to power will also mean that Canada must shortly make up her mind concerning the Great Lakes-St. Lawrence Seaway. It seems altogether likely that Roosevelt will make the consummation of this project one of the aims of his administration. If that is so, Canada will be called on to decide where she will stand in any such plan.

Of equal importance to Canada will be the financial course which Mr. Roosevelt steers for himself and his government during the next four years. Since his inaugural in 1933, Mr. Roosevelt has become known as the most extravagant ruler in world history. He has poured billion after billion of public funds into all manner of spending schemes with far-reaching effect on the morale and well-being of scores of millions of people.

Already this lavish outpouring of money has had its effect on the Canadian people—has been an important factor in fostering and maintaining a psychology of dependency in this country. If it were to continue another four years—or even for less than that—the result would be even more marked and more demoralizing to a people whose major national weakness is laxity of public morals.

Since custom forbids a president offering himself for more than two terms, the next four years may be Mr. Roosevelt's swan song as the nation's chief executive. To few leaders comes the opportunity that now awaits this man to place himself permanently on the record as a statesman of great and abiding calibre. The very strength of support accorded him may easily prove his undoing, but if he can display wisdom in leadership this term to match the courage he displayed in the last four years he will have proven himself indeed a "good neighbor."

Motordom on Parade

IN TORONTO this week thousands of people are paying money for the privilege of having a look at the car they hope some day to buy. The night this annual display opened the crowds were so great it was difficult to see your favorite car even after you had paid for the privilege. Similar exhibitions will be held in various parts of the continent in the next few weeks—for motordom is on parade.

This is a far cry from 30 years ago when horseless carriages were first making their appearance on this continent. It is a far cry from the days when the automobile was an expensive and unreliable luxury.

One of the secrets of the transformation has been the modern methods of merchandising used by this great industry. Last week at Detroit one manufacturer brought together nearly 8,000 dealers from every state and province in the United States and Canada. The affair was handled like a mammoth exhibition. It involved a special shipment of cutlery and chinaware from Chicago because there were no facilities in Detroit adequate for the occasion. Another tiny detail was the manufacture in the company's own plant of 8,000 rustless steel trays to meet the needs of a noonday meal.

In like manner the chief executives of motordom leave no obstacle unturned to produce a better product and merchandise it in the most up-to-date manner. Hundreds of millions of dollars have been spent to modernize the great automotive plants of the continent within the past two or three years—to install the latest machinery and to afford the purchaser the utmost in comfort, safety and service.

That the industry has succeeded is a matter of record. Back in 1932 the shares of a leading motor car manufacturing company were selling at $5 each. Today these same shares are selling at about the $135 mark. They are still being recommended by many advisers as an attractive investment. For automotive leaders say they have barely hit their stride in replacing the great reservoir of transportation represented by unused car mileage. This reservoir is estimated for Canada at about 21 billion miles, compared with 37 billion miles in 1929.

Thus, the automotive industry is steadily climbing into a front position as a major Canadian industry. It will this year give employment directly to about 40,000 persons around which is an ever-widening circle of perhaps another quarter million people whose livelihood depends on automotive transportation in some form or another. In 1936, Canadians will spend at least $250 millions for the products of this industry—a figure representing over five per cent of the total national income. Another colossal sum will be spent on operating expenses and upkeep.

Already, leading manufacturers are looking forward to substantially increased sales in 1937. One producer has estimated that Canadian plants will actually not be able to supply the demand when the big rush comes along in a few months time.

An Educational Achievement

IT WAS a proud and memorable occasion for Thomas Bradshaw when he stood last week before the inaugural meeting of the Life Insurance Institute of Canada.

Mr. Bradshaw recalled the fact that 37 years ago a small group of 50 persons met together to discuss the formation of a society "to promote the study of insurance and the wise conduct of the business in all its many and varied phases." From that humble start has risen an organization of almost 2,000 members, about half of whom are actively engaged in the pursuit of specialized knowledge in insurance, submitting annually over 3,000 examination papers.

Until now the organization has been known as the Insurance Institute of Toronto, although its educational programme has spread across the Dominion. The new body (embracing only life insurance members) will be Canada-wide in its activities and membership.

Mr. Bradshaw outlined the important place this institute had made for itself in the educational system of the country—how it had met the challenge of young men and women in the insurance business for special knowledge with which to meet the varied opportunities of an insurance career, and how the special contracts and instruction it provided had played an important part in shaping insurance history since the turn of the century.

He also stressed the general need of educational facilities in this country as a vital link toward solution of our national problems.

"The average man," he observed, "was said long ago to be 50 years behind in his interest in and understanding of politics as compared with his progress in all other lines, and I am very much afraid that he is still trying to catch up with that 50 years. Perhaps that flatters him, and I should really say he is still 50 years behind and not even trying to catch up.

"At any rate I am convinced that the most serious and most vital task to be undertaken today is that of educating the people to a genuine and personal interest and concern for their greatest public enterprise—that of government. I speak to you as a group who have had better than average education and opportunities—a group who can do much to further this cause by the influence of your speech and persuasion, and above all by the influence of your own lives as citizens who are vitally interested in the future of this country."

This is the major challenge underlying most of our superficial and immediate troubles at the present time. The success of the Insurance Institute so wisely sponsored many years ago by Mr. Bradshaw and his associates, points clearly to the value of a sound educational programme that will meet not only the needs of the young and of those who desire specialized training but also of every citizen who, as he goes through life, expects to lead a normal, useful and constructive existence.

Editorials in Brief

Best remark of the week was John Bassett's witty retort to Hon. Mitchell Hepburn at the automotive dinner at Toronto. The Montreal Gazette vice-president paid tribute to the "friendliness, good humor and charm of manner" of the Ontario Premier, then added: "When men in public office deserve to be told they have our co-operation, I would like to say, 'More Power to You'—but I might be misunderstood."

Post-Scripts

A WINNIPEG subscriber sent in the following reference to Noranda Mines, clipped from a local paper, with the comment: "What, no Tea?"

Still a Copper Mine

Noranda, however, has not lost its identity as a copper producer, but, on the contrary, has a big output of this metal and has developed a market to absorb its entire current output.

In recent months it has reached a production stage of about 30,000 tons of coffee and about $8,000,000 in gold annually, the latter figure being exclusive of exchange. The concentrator capacity has been doubled recently, and is now 2,000 tons daily.

Sayings of the Week

"Mistrust is a professional quality of all keepers of treasure, bankers included."—*Guglielmo Ferrero.*

• • •

"The demands of commercial exigency should have no influence on college ideals."—*William Lyon Phelps.*

• • •

"Six or seven previous civilizations arrived at the point we have reached and then collapsed."—*George Bernard Shaw.*

• • •

"Of course geniuses are not crazy. I'm not crazy."—*Professor J. L. Rosentein, professor of psychology, Butler University.*

• • •

"The capitalistic system is always growing, changing, becoming something which it has never been before."—*Edward A. Filene.*

• • •

"Seven years ago they thought I was a nut. Now I am."—*Professor McMahon, history department, University of Washington.*

• • •

"The minimum wage and the maximum hour have an important part—perhaps the most important — in economic warfare." — *Bernard M. Baruch.*

• • •

"Did you ever see a gold sovereign ploughing, or a pound note planting potatoes or £500 building a house?"—*Sir Daniel Hamilton, retired Scottish merchant.*

• • •

"American economic policy and social action are over-simplified. Americans are patent medicine-minded. They always want short-cut solutions."—*Glenn Frank.*

• • •

"Business in the Maritimes is on a sound, healthy basis with the curve of production and employment definitely up."—*Morris W. Wilson, president and managing director, Royal Bank of Canada.*

• • •

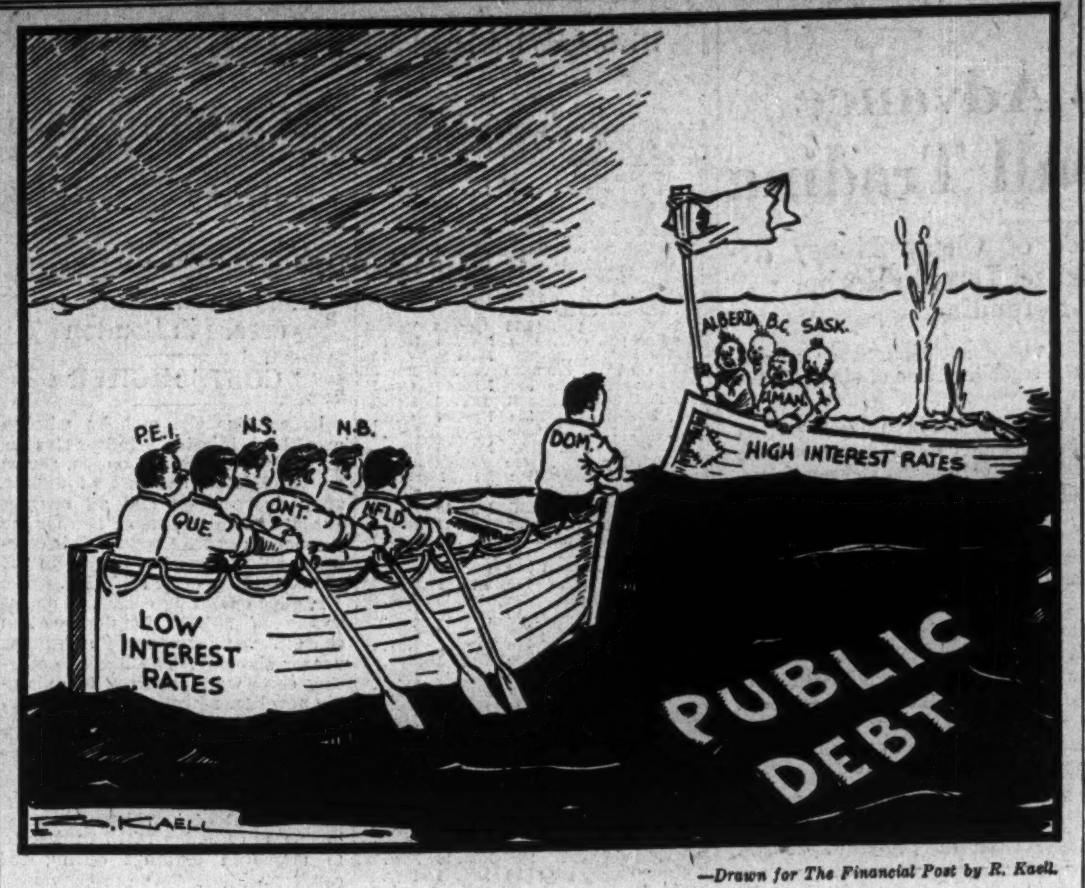
"I think England will have to float a defense loan to pay for all these armaments. It is too big a thing to be paid out of the treasury."—*Sir William Wiseman, British banker in an interview in New York.*

• • •

"Confiscatory policies which destroy the assets of the citizens of Canada will be exposed and condemned by the Canadian Chamber of Commerce wherever and whenever they appear."—*Hon. R. C. Matthews, president of the chamber.*

• • •

"It is customary in English-speaking countries to speak piously of peace and urge disarmament. It is very easy to do so when you have 3,000 miles of water between you and the highly armed nations of Europe."—*Robert de Caix, foreign editor of the Journal des Debats, Paris, during a visit to Halifax.*



—Drawn for The Financial Post by R. Kaell.

A CHANCE FOR A RESCUE

Get Rich and Die Young

By DR. R. C. BUERKI

The best means for prevention of high blood pressure lies in abolishing the prevalent idea of the desirability of making a large amount of money in a short time.

Those who by sheer force of will and persistent struggle manage to survive the keen competition which exists in the business world today are apt to find themselves successful businessmen at the age of 50, but their strength spent and their health broken.

There is already too large an army of successful businessmen who, after acquiring a fortune, spend their few remaining years and most of their money seeking their lost health.

Living a Century

Taking chances with large sums of money, especially speculating on the stock market, is bound to play its part in keeping up the nervous tension. It is an established fact that there was a decided increase in the number of people suffering from high blood pressure following the stock market crash of 1929.

The man of today who attains the age of 50 has in reality lived 100 years, and if we continue to increase the speed of our existence at the present rate, it will not be many generations before a man will have lived a lifetime when he reaches the age of 20.

Under such conditions it is no wonder that so many people by the time they attain middle age are all burned out. Heavy with an overburden of fat, dull with headache and sleeplessness, racked with the pains of angina pectoris, and completely exhausted from overeating and overwork, they come to the doctor beseeching him to restore their health.

This is the type of person who presents a picture characterized by high blood pressure, an enlarged heart, and a failing circulation. What has happened? What has been the sequence of events? To answer these questions it would be necessary to look back a number of years in the patient's life.

Under Tension

We would find that for a long time he was under a severe nervous tension. There were business difficulties, financial reverses, long hours of work, with no play and little sleep. This nervous tension reacted on the arteries, producing constriction through the entire system, and with this narrowing of the cross-section of the blood stream, an increased pressure was required to keep the blood supply at a proper level.

The increased blood pressure, after a period of time, caused changes in the walls of the blood vessels, with loss of elasticity, thickening of the muscular coats, and eventually the blood pressure became permanently established at a high level with the usual disastrous train of events following.

Unnoticed at First

Unfortunately, high blood pressure does not announce itself when it first appears.

Eventually it manifests itself through certain symptoms, such as early-morning headaches, blurring of vision, dizziness, ringing in the ears, pounding or overactivity of the heart, easy fatigue, etc.

If allowed to go on unheeded it ultimately results in Bright's disease, apoplexy, diabetes or heart failure, due to disturbed nutrition of the various organs. Characteristic symptoms referable to the lungs, gastro-intestinal tract and extremities may be caused by high-blood pressure."

The general rule for prevention of high blood pressure is moderation in all things and prohibition in none.

Medical science is able partly to control this condition by simply regulating the habits of the sufferer—that is, insisting on 8 or 10 hours of sleep every night, 30 to 45 minute rest periods after each meal, restriction of diet not only in the amount of meat and salt but more especially in cutting down on sugar and starches, easing up on work and including in the programme a daily period of recreation and out-of-door exercise.

Railway Wage Rates

The Farm and Ranch Review

A demand has now been made by the Canadian Railway Unions for a further increase in wages of 10%, so as to restore the "war-boom" scale. The plea is, that such has recently been done in the United States. Our railways last year granted a wage increase of 5%, but are according to press reports, opposing the present demand, principally on the grounds that they are just now financially unable to absorb any larger operating expenses. The union's plea and the railways' reply are no doubt both quite correct. But, unfortunately, neither has the remotest bearing on the real issue involved.

The union argument is easily disposed of. It is a fact, that the political "powers-that-be" in the United States have successfully brought pressure to bear to increase such wages in that country, so as to capture the important railway vote in a year of presidential election, and, in spite of the virtual bankruptcy of most of their railways. That, however, is no particular reason why Canada should follow the same dishonest and reckless course. If our economic policy is to be determined by political exigencies south of the line and by the machinations of so-called "international" unions, we had better haul down the British flag and apply for annexation. The wage scales or the political predicaments of the United States have no more to do with Canada than those of Japan or any other country. We are presumably wise enough to arrange our own affairs without advice or dictation from elsewhere.

Irrelevant Arguments

The railway contention, if as reported, is equally as irrelevant. It suggests, on the face of it, that if earnings permitted the demand might be granted, which is a pernicious doctrine. It may be assumed that by 1913—when western railways had been operated for over a quarter of a century—a fair and just wage basis would have been established for all employees, founded on and comparable with wages paid in other occupations. If so, the only justification for having departed from this standard would be fluctuations in the cost of living—up or down.

That is, of course, if there ever was any sound principle involved in establishing the railway wage structure, which, I fear, is open to serious doubt. The policy of our railways has rather been to follow blindly in the footsteps of the United States. But now we are supposed to be grown up. The disturbing fact is, that those powerful and wealthy unions, controlling the most vulnerable public utility, have set up a virtual dictatorship. One of these days—when we develop sufficient backbone—they may learn, that with the present efficient motor truck transportation, a general, and even prolonged, railway strike is no longer an unbearable calamity.

Canada's Transportation Burden

We find that between 1913 and 1934 the cost of living increased by 13.6%, while wages for freight conductors running out of Calgary increased by 73% and all other railway wages in proportion. One finds it difficult to see the justification for this generous addition to the cost of railway operation in the interest of employees — railway wages representing 65% of total direct operating costs—particularly as farm prices had remained stationary during that period. And now these people are asking for a further increase of 10% at a time of profound national distress! It is perhaps only fair to suggest, that Canadian railway unions would scarcely have had the audacity to make such a demand had they not been bulldozed into doing so by United States headquarters anxious to fortify its own position.

The most important factor in the interior economy of far-flung Canada is low transportation cost. The West has been developed and colonized on that basis and on that assurance. Every increase in freight rates—and there have been many—is a public calamity. Every farmer pays the transportation cost on practically everything he buys and sells. It is, by long odds, the heaviest burden he has to bear, and his interests cannot be ignored in any wage adjustments. His very existence depends on the lowest possible freight rates, which again depend upon the lowest possible railway operating costs. It is beginning to dawn on western farmers how vast their interest is in anything affecting these costs.

Votes or Operating Efficiency

The National Lines has only one duty to perform and that is to the people of Canada—its owners and patrons. It is not there to furnish highly paid jobs, but, first, last and always, to protect the interests of the consumer of transportation. The responsibility of the executive to its employees is fully discharged when it pays a decent wage comparable with that earned in other occupations. The same remarks apply to the privately owned railways, with the proviso, that the interests of the shareholders must, of course, also be reasonably safeguarded.

These railways operate the most important and indispensable public utility in Canada. They will not find it easy to justify acquiescing in further increasing the present extravagant wages now paid to railway workers on top of the generous pensions also provided for them, and thus indefinitely delay the time when western agriculture might hope for certain urgently needed rate concessions.

These remarks apply with particular force to the National Lines with an annual deficit running close to a 100 millions of dollars, which is gradually strangling the taxpayers of Canada. It is no use "soft-pedalling" on this subject. It is high time it was brought out into full view. Existing railway wages should forthwith be reduced by 20% to bring them in line with wages in other occupations. But as long as governments function as direct employers of railway labor, we may take it for granted, that the quarter of a million votes involved will be the controlling factor in the situation, rather than the urgent necessity of business efficiency in operation.

Electric Organs

BY G. EDWARD PENDRAY
IN TO-DAY

A year ago Laurens Hammond, a young engineer, put on the market an "electric organ." For five years or more the conventional organ trade had been almost stagnant. Pipe organs cost thousands of dollars, and there was virtually no market for them. They occupied a great deal of space, required an expert to play them and were only organs after all of the expense.

Hammond got the fundamentals of his new idea from the synchronous electric clock, which is driven by a toothed wheel acted upon by alternating current passing through an electromagnet. If the clock motor itself were driven by an outside force, he reasoned, it would act like a little dynamo, creating a pulsating electric current. The number of pulsations per second would depend on the number of notches or teeth in the little wheel and the speed of rotation.

Pulsations and Tone Wheels

Now, since a musical note is, to the physicist, only a series of pulsations, depending for its pitch on the number per second, such a dynamo would produce, with proper apparatus for converting electrical surges into sound, a musical note. If it pulsed 440 times a second, it would be A—the note musicians sound to see if their instruments are in tune.

But there is another little matter: timbre or quality—the result, in ordinary musical instruments, of sympathetic vibrations from wood or metal, known as overtones. Mr. Hammond's little notched wheel couldn't produce overtones, so he produced them by adding other wheels.

In the commercial "electric organ" there are, to be exact, 91 of these "tone wheels." The faster they rotate, the higher the note. And by rotating several at a time, almost any musical instrument's quality can be imitated. Only two selected wheels provide the sweet, muted music of the flute. Nine give the brassy blare of the trombone; six the nasal timbre of the clarinet.

Millions of Tones

The Hammond organist doesn't need to limit himself to imitations of other instruments; he can produce tone qualities never heard on this earth before. This is no mere organ; it is a new kind of musical instrument. The engineers calculate that it can produce 253,000,000 different tone-quality combinations.

The instrument isn't very large—about the size of an old-fashioned spinnet, or some four feet square. It is played like a pipe organ, and any organist can operate it. Nearby, or in the next room or next building, if you wish, is the amplifier from which the sound is emitted. The organ is the same for all installations. The amplifier varies in size from a small one for the home to a big one for churches. There is a giant one for auditoriums.

Sales figures show that about 1,700 have been sold in the last 12 months. Nearly 600 are now at work in churches. Several hundred are doing service in private homes. Theatres, auditoriums and broadcasting studios are using them. The two biggest installations are in Madison Square Garden in New York, and the Hollywood Bowl in California.

In the Mail

(Not over 200 words, please)

Miss Whitton Hits The Keynote

The Editor, "The Financial Post:

Miss Charlotte Whitton in her final article published in your issue of October 31, says very pertinently, "In the last five years Canada has rarely had less than 1,800,000 persons dependent on social aid."

Canada's political leaders should take heed while Miss Whitton strikes the keynote, when she adds, that there has been much more money than thought available for the treatment of distress.

Your Montreal contemporary is urgent in its attitude that the National Employment Commission needs help in order to reduce this fearsome total of distress.

The weak point in the National Commission, as it appears to the writer, and due mainly to the political indifference referred to by Miss Whitton, is a lack of concentration of purpose, or in other words of direction which should have put the Commission in the right constructive way under government instructions.

Now as The Financial Post is well aware, as through its columns the public have been enlightened, constructive solutions of the national problems have been offered by eminent Canadians, holding positions of great responsibility, but not occupying seats of political authority.

Sir R. Falconer, Sir E. W. Beatty, A. G. Partridge, C. E. Gravel, of the Chamber of Commerce, and others are practically unanimous that the central Government should recommence the process of settling Canada's fertile soil which still remains unused; that as regards experimental farms, on some of which many unemployed could be helped to produce their own livelihood in preference to the dole system so lowering in chacter.

It is much to be proud of that Canada has a newspaper courageously exposing the exploitation of the people.

MALCOLM CAMERON.

Ottawa.

Other People's Views

The Coming Motor Boom

Review of Reviews

There are many good reasons for believing that 1937 will be one of the greatest automobile years ever known. Motor car production has travelled a long way along the recovery road, since passing the bottom of the depression in 1932. And apparently nothing short of a calamity will prevent sales from moving into still higher ground next season.

The manufacturers are prepared for tremendous sales. Opinions are quite general in Detroit that it will be the biggest year, with the possible exception of 1929, that the industry has ever experienced. In fact, some people associated with the business are fired with enough imagination to believe that 1937 may equal, or moderately exceed, the dazzling figure hung up in that boom year. The more reserved thinkers however, believe that it is fairly reasonable to assume that motor vehicle sales in 1937 will expand by say 10 per cent over 1936.

India's New Deal

BY MARQUESS OF LINLITHGOW

An article by the Viceroy of India, briefed from The Indian Parliament

The great Indian spectacle that confronts our eyes is rendered the more impressive by reason of its contrast with the dark and ominous background of contemporary world events. In Europe we see an array of dictatorships risen from the ashes of those liberal systems of government which preceded them, each arming feverishly against a possible crisis that all fear and none desire; while civil war, in its cruellest and most destructive shape, despoils a nation once supreme alike in the Old World and the New. Again, in many parts of the world, we become aware of the recrudescence of the rule of force, and in one guise or another, of the exploitation of the weak by the strong.

These are the world conditions in which, by the joint statesmanship of Britain and India, there is about to be initiated in this country an experiment in representative self-government which for breadth of conception and boldness of design is without parallel in history; these, the circumstances in which the British people and Parliament have seen fit to offer to India a constitution which, by its liberal principles, stands in such impressive contrast to those political tendencies which are evident over wide areas of the world.

If the constitutional changes now impending predicate the remarkable growth of Indian political consciousness in terms both of the desire for self-government and of a growing realization of the essential unity of India, so also those changes connote a profound modification of British policy toward India as a member of the Commonweath. For indeed by their very nature they involve nothing less than the discarding of the old ideas of Imperialism for new ideals of partnership and co-operation.

In April of 1937 there will come into being 11 autonomous provinces, some of them as extensive in area and with populations as large as many European countries. Over these great areas Indian statesmen will be called upon to bear the heavy burden of responsibility for the entire field of civil government in the provincial sphere. When the vast electorates, aggregating some 35 million persons, go to the polls to choose their representatives in their respective legislatures — to which those ministers will be responsible—the individual voter will have a new duty and a new opportunity.

By their choice the electors will be deciding not merely upon the person to represent them in the legislature, but they will be contributing directly toward shaping the course of public policy in their province. For the trend of government, legislative and administrative, must needs move in the direction indicated by the will of a majority of the electorate.

Week in Business

Tourist Trade Figures Sustain Early Estimates

Big Season Confirmed by Customs Returns — New Models Please Prospective Motor Car Buyers — U. S. Outlook Reported Favorable

The approach of winter means a falling off in a major source of revenue—tourist trade. Returns being gathered from all parts of the country confirm earlier estimates that the new income from this business would reach or exceed the $275 million mark.

The Financial Post has tabulated cumulative figures of touring U. S. motorists into 20 leading ports of entry during the first eight months of the year. These show the increase in 60-day permits was 21% and the increase in 48-hour permits 15% higher than in the same period last year.

Applying these increases to last year's figures this would indicate a return from these two groups of visitors alone of about $160 millions compared with $131 millions last year. Such comparison is on the assumption that these visitors spent only the same average amount as last year. Actually the amount spent per capita is expected to show an increase.

By the same token Canadian motorists visiting the United States have increased considerably. The records of these same ports of entry indicate a 15% gain in Canadian visitors to U.S.A. Apply this to the $40 millions spent by Canadian motorists in the U. S. last year and the 1936 total will be near the $50 millions mark.

• • • •

Big Motor Year

Other indications of increased spending power are to be found in the automotive show now introducing officially the new 1937 models. Public reception of these new cars already exceeds expectations. One manufacturer went so far as to express the opinion to The Post that when the big spring selling season arrives there will be an actual shortage of new cars in Canada. In short, that Canadian plants will not be able to meet the substantial demand that he anticipated during the 10-week period next year when about half Canadian sales are made.

Retail and wholesale sales figures generally continue strong and if anything confirm the new high records achieved by both these indices during September.

• • • •

Horse Racing

Another barometer is found in the figures issued last week of horse racing returns for the spring and fall season. Although there were 21 less racing days in 1936 than in 1935, amounts wagered increased by $80,000 to $20.9 millions. Gate receipts gained $15,000 to $566,000.

Prize money paid was slightly lower than in 1935 but just over the $1 million mark. Largest amount wagered was at the spring meeting at Woodbine Park, Toronto, the total being $1.4 million. Smallest amount was at the one-day meeting at Claresholm, Alberta, when $721 was wagered.

• • • •

U. S. Outlook

With United States elections a thing of the past, business prospects in that country will be watched closely. This is the way the immediate future looks to Whaley-Eaton Service of Washington:

"The outlook is decisively favorable to a pronounced advance in industrial and other business activity. Imports of gold continue and the credit bases are unprecedentedly large—so large as to defy ordinary analysis in terms of credit financing. The pent-up demand in the heavy industries is also probably greater than a statistical study would show. The R. F. C. will probably have its lending powers renewed in such form as to be a 'yardstick' for industrial loan rates.

"Official opinion in Washington is almost unanimous that the problem is not now how to keep the recovery under way, but how to keep it in moderation on the upside."

Favorable

Carloadings continue at high level with grain, livestock and miscellaneous loadings showing good gains over this time last year.

Unfavorable

Wheat and wheat flour exports lower than in Oct., 1935, on volume basis. Dollar values considerably higher.

Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA —Latest— 1936	1935	—Cumulative Total— Jan. 1 to date 1936	1935
Transportation—				
Car loadings (Oct. 31)	▲57,983	52,177	2,082,639	1,994,945
C.N.R. gross earn. (Oct. 31)	$ ▲6,377,850	$ 5,804,439	$ 153,434,590	$ 142,954,876
C.P.R gross earn. (Oct. 31)	$ ▲4,654,000	$ 4,324,000	$ 114,190,000	$ 105,233,000
Business Conditions—				
Weekly index D.B.S (Oct. 31)	▲109.4	96.2	......	......
MONTHLY DATA	1936	1935	1936	1935
Business Conditions				
Financial Post index (Sept.)	113.7	105.0	......	......
Transportation—				
C.P.R. net revenue (Sept.)	$ 3,422,884	$ 3,290,218	$ 11,827,468	$ 11,386,758
C.N.R. net revenue (Sept.)	$ 2,962,637	$ 2,291,230	$ 6,205,461	$ 6,134,560
Iron and Steel (September)—				
Pig iron production (tons)	51,892	54,360	465,785	419,064
Steel ingots and castings prod. (tons)	86,077	90,952	813,734	647,704
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (Sept.)	3,120	2,593	75,806	69,844
Factory output (Sept.)	2,481	3,819	100,088	109,204
Trucks and Buses:				
Domestic sales* (Sept.)	1,431	1,436	17,720	15,580
Factory output (Sept.)	2,174	1,504	25,650	28,205
Exports (Sept.)	3,305	3,798	40,143	51,875
Construction—				
Building permits (Sept.)	$ 3,644,560	$ 3,331,915	$ 29,433,327	$ 36,680,796
Contracts awarded (Oct.)	$ 14,957,200	$ 14,925,100	$ 142,628,800	$ 147,649,300
Newsprint (tons)—				
Production (Sept.)	269,782	223,892	2,303,725	1,978,614
Exports, tons (Sept.)	278,368	206,911	2,130,286	1,812,786
Sugar (lb.)—				
Melting & sales§ (raw)	101,765,672	73,677,075	682,558,745	629,971,194
Manufactured§	101,692,741	74,086,391	661,109,373	624,681,003
Flour (bbls.)—				
Production (Aug.)	▲1,516,123	1,535,189	10,706,828	9,823,026
Wheat flour exports (Oct.)	▲464,013	501,442	3,966,136	3,911,821
Trade—				
Retail trade (index no. of sales) (September)	▲76.6	72.5	......	......
Imports (September)	$ 52,982,972	$ 44,689,463	$ 450,866,373	$ 403,036,316
Exports (September)	$ 89,582,398	$ 78,845,842	$ 692,626,389	$ 572,090,421
Wheat exports (bush.) (Oct.)	▲26,917,096	28,919,421	189,294,774	122,053,533
Employment, D.B.S. Index (Oct. 1)—				
All industries	110.1	106.1	......	......
Manufacturing	109.0	103.3	......	......
Electric Power Output (Sept.)—				
Total monthly m.k.h. (000's omitted)	2,041,679	1,919,213	18,522,713	16,942,004
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (September)	160,586	112,413	1,137,508	968,046
Boot & shoe prod., pr. (Aug.)	2,002,895	2,153,955	14,711,557	14,546,387
Crude petrol. imp. gal. (Sept.)	134,048,094	127,017,748	879,146,923	848,026,505
Cotton imports, lb. (Sept.)	9,262,674	5,856,786	91,796,165	82,848,832
Raw rubber imp., lb. (Sept.)	5,361,220	3,593,662	43,533,953	42,791,974
Coal imports, tons (Sept.)	1,400,529	1,427,277	9,404,443	9,525,263
Finance—				
Bank debits (Sept.)†	$ 3,133,564	$ 2,425,895	$ 25,893,227	$ 22,684,735
Bond sales (Sept.)	$ 176,935,250	$ 194,626,102	$1,009,848,746	$ 651,566,437
Life insurance sales (Sept.)	$ 26,966,000	$ 26,696,000	$ 272,310,000	$ 267,280,000
Automobile Financing (Sept.)—				
Used cars	$ 1,865,791	$ 1,377,752	$ 20,161,756	$ 14,672,215
New cars	$ 1,885,754	$ 1,428,316	$ 24,544,783	$ 18,785,250

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted.
§For 4 weeks to October 3.

Government, Municipal
Public Utility and
Industrial Securities

List of offerings, or current
quotations on any issues,
furnished promptly on request.

Royal Securities Corporation
Limited

244 St. James Street
Montreal

330 Bay Street
Toronto 2

Offices throughout Canada; also in New York and London.

25

B. C. Expects Spot Paper

Newsprint Firms Shun Contract Business at Present

From Our Own Correspondent

VANCOUVER.—A spot market for newsprint on the Pacific coast within six months is expected by manufacturers in British Columbia, and for that reason they are not encouraging more contract business at this time.

Prevailing contract price continues at $42.50 a ton, but this figure applies only to regular customers. The mills are not seeking new business, as they are working at top of capacity and additional orders would only embarrass them. Demand is more active than it has been for years, although the mills have been operating at 100% for many months.

Export prices have taken a drastic jump, in some cases as high as $8 a ton, to bring them in some cases higher than the domestic quotation.

Shipping Strike

Powell River Co. and Pacific Mills, two big B. C. newsprint producers, have had to divert all their shipments to California, Oregon and Washington to railroad via Vancouver and New Westminster because of the shipping strike in American ports, and this affects about 18% of their business.

At present all British Columbia ports are working, and a great deal of general freight business has been diverted from United States ports to Vancouver and New Westminster, especially lumber and apples. More than 200 carloads of apples from the Yakima and Wenatchee districts of Washington and Hood River Valley in Oregon have so far been routed to B. C. for overseas shipments.

Extent of Disturbance

Newsprint manufacturers will not be seriously disturbed so long as the strike does not extend to British Columbia. In that event they would be obliged to ship in their own barges and unload with company crews, but this might be difficult in the event of serious labor turmoil. A year ago Powell River shipments to the American coast market were labelled "unfair" and were not unloaded until after several weeks' delay. The company had a dock strike of its own at Powell River and this also interfered with cargo handling.

H. J. McKenzie, manager of Export Sales Co., chief Oriental distributor of B. C. newsprint, returned this week after 10 months in the Far East to report conditions more stabilized, German competition weaker and the market outlook much improved.

British Columbia Pulp & Paper Co., operating at Woodfibre and Port Alice, is carrying out a $400,000 improvement programme, to meet increasing market demands, especially from Japan, which is buying in much greater volume now that the trade war with Canada has been terminated.

Other Developments

Vancouver Kraft, Ltd., now known as Port Mellor Operating Co., is carrying out a $1.5 million renovation and replacement programme at its Howe Sound plant and will be in full operation early in the year, manufacturing pulp to be converted into wrapping and other paper in the Leadbetter mills of the Northwest states. This project is partly financed by British capital.

George Whalen, formerly an executive of the Whalen Pulp & Paper Co., which is now the B. C. Pulp & Paper Co., is negotiating in behalf of British principals for a pulp mill site on the Fraser River, and it is reported that the water frontage and plant formerly owned by Brunette Lumber Co. has been acquired under option at a price approximating $200,000.

Prince Rupert Site

Frank L. Buckley, who has been working on a Prince Rupert pulp project for some months, reports good progress. Accompanied by W. J. Clarke of Quebec, representing pulp and paper interests; L. A. De Guere, Wisconsin pulp mill expert, and representatives of Northern Construction Co. and Walsh Construction Co., Mr. Buckley spent a week in the north investigating the sites for the mills. The company is to be known as Canadian-American Pulp & Paper Co. and probably will be financed jointly by Canadian, English and American capital.

J. P. Meehan & Co., timber engineers, have abandoned negotiations with Vancouver city council for Cheakamus River water rights for their proposed rayon mill and are now dealing with the Provincial Government for power rights on Vancouver Island.

New Books

STATISTICAL YEAR BOOK OF THE WORLD POWER CONFERENCE, No. 1—1933 and 1934, edited, with an introduction and explanatory text by Frederick Brown. The Central Office of the World Power Conference (36) Kingsway, W.C.2. 1936, £1.

This is the first volume of a new statistical annual devoted to the power resources of the world and their development and utilization. It contains an inventory based on the latest available estimates of the power resources of the various countries, and annual statistics relating to 1933 and 1934 of the production, stock, imports, exports and consumption of coal, peat, wood, petroleum, benzoles, alcohols, water power and electricity. Though it has not been possible to include figures for every country in every table, the omissions are generally due to the minor importance of the particular form of power in the economy of the country omitted.

Most of the statistics were specially compiled by the National committees of the World Power Conference by government departments of England and abroad in conformity with standard definitions drawn up by a commitee of experts. These definitions are reproduced in the text.

Ottawa, Ont., has been refused permission by the Ontario Municipal Board to carry out a $350,000 relief sewer programme without the approval of ratepayers. It is now planned to submit the plan to ratepayers for approval at the civic election on Dec. 7.

Income Tax Problems

Beginning in this issue, The Financial Post will present a series of questions and answers dealing with general income tax problems. It is not intended to give rulings where matters of opinion arise. Rather it is offered as a simple explanation of specific problems which crop up when filing federal income tax returns.

I have recently purchased a government annuity which brings in $1,000 each year. I was of the opinion that this income would not be subject to income tax, but a friend has pointed out that a court decision about 10 years ago held it is liable under the income tax law. Any assistance you may be able to give in clearing up this matter will be greatly appreciated.

The general opinion is that all of the return from an annuity is not income. A part represents repayment of capital. Thus, as amended about three years ago the income tax act provides that $1,200 exemption is allowed on income from a government annuity. This amendment nullifies the court decision handed down in 1928 that such income was liable to taxation.

As the maximum return from government annuities to any one person is now $1,200, it may be seen that all income from this source is free from income tax. In the event of a husband and wife both receiving incomes from annuities, the exemption is limited to $1,200. Further, where a husband purchases an annuity for his wife the income is taxable as income of the purchaser.

If your annuity had been one issued by a life insurance company, your query would have to be submitted to the legal department of the income tax office for a ruling. Such a policy may have some qualifying provision in the contract. Generally speaking, however, if these contracts are similar to government annuities, a corresponding exemption will apply.

Background of Business

Gain in Retail Sales Largest Since March '34

Wholesalers Also Report Best Increase This Year — Improvement Varies Between Different Kinds of Business

Further gains in retail sales in September were shown by the Bureau of Statistics compilation of returns from 37 large departmental firms and 169 chains comprising some 3,300 stores. Without allowance for seasonal variations the increase was 9% compared with the same month last year. This is the largest relative gain in 2½ years and is due in part to slightly higher prices. After adjustment for the number of business days and for seasonal variations the increase was 5.7%.

Compared with last year the largest gains were again shown by hardware and music and radio stores. Men's clothing and variety stores also showed considerable improvement. After seasonal adjustment several types of stores showed lower sales than in the previous month, notably dyers and cleaners, furniture, grocery and meats, hardware.

Comparative figures follow:

	Gain from Sept. 1935† (%)	—Sales Index*— Sept. 1936	Aug. 1936	Sept. 1935
Boots & shoes	7.7	79.4	68.8	75.3
Candy	4.6	60.4	57.8	59.6
Men's clothing	13.5	75.2	65.1	68.8
Women's clothing	7.8	63.9	63.7	61.5
Departmental	9.8	77.6	76.6	73.4
Drugs	5.3	75.9	73.2	74.1
Dyers & cleaners	4.9	73.7	78.5	73.2
Furniture	3.9	74.3	81.5	74.2
Groceries & meats	6.7	76.2	77.0	73.9
Hardware	26.9	98.9	99.5	81.2
Music & radio	21.8	47.7	41.5	40.8
Restaurants	5.7	54.1	53.3	51.9
Variety	10.0	91.4	89.6	85.5
General index	9.2	76.6	75.5	72.5

*Adjusted for number of business days and seasonal variation; 1930 = 100.
†Unadjusted.

• • •

Wholesalers Busy

Sales figures of wholesale houses showed a 13.2% gain in September. This is the largest increase to date this year. Cumulative figures for the third quarter show a gain of 9.6% compared with last year. The increase in the second quarter was 7.8% and the first quarter 4.5%.

By areas, the September gains were as follows: Maritimes—14.2%; Quebec — 2.4%; Ontario — 3.6%; Prairies—11.2%; B. C.—5.9%.

By types of outlet the gains were: automotive equipment—20.8%; drugs —15.1%; clothing—.6%; footwear—17.5%; dry goods—33.9%; fruit and vegetables—18.5%; groceries—10.5%; hardware—22.5%; tobacco and confectionery—9.4%.

• • •

Sales Tax Problems

Present-day sales tax problems and the possibility of an even higher sales tax for 1937 were discussed recently at a round-table conference in Toronto of representatives from the Chain Store Association, department stores, Ontario Retail Hardware Association, Ontario Retail Drug Association, Canadian Pharmaceutical Association, Stationers Guild, Retail Merchants Association, Men's Wear Association, florists, shoe retailers, etc.

Purpose of the meeting, according to Hardware and Metal, was to find some common ground as to why the present rate of sales tax should be lowered and also to determine whether the government should be asked to change the present tax system to ensure it being passed on to the consumer in every case.

Upshot of the meeting was a resolution of protest against the 10% cosmetic tax and the request that various bodies represented collect evidence of retailers being penalized by the high rate of tax.

• • •

Quebec Retail Trade

Retail sales in Quebec in 1935 amounted to almost $462 millions, an increase of 3% over 1934 and 10% over 1933. The index of sales for 1935 on the 1930 base equals 100, stands at 70.9.

For the second consecutive year, motor vehicle dealers reported the greatest annual increase in business, sales amounted to $36.5 millions, a gain of 22% over 1934 and 58% over 1933. The furniture and household group was second in percentage increase in value, amounting to $17.3 millions against $15.8 millions in 1934. The lumber and building materials group, with sales of $16 millions compared with $15.8 millions, recorded a smaller gain than that shown in most provinces. Sales of grocery and combination stores remained practically unchanged at $91.3 millions.

• • •

N. B. Cheesemakers Busy

New Brunswick's cheese production this year is more than twice what it was last year, and cheese brought an average of 2.2 cents per pound more, according to figures released by the New Brunswick Cheese and Butter Board.

At the same time A. R. Jones, manager of the Maritime Co-operative Egg and Poultry Exchange, announced a 20% increase in poultry production in the province and predicted that within four years, New Brunswick would be "self-supporting on a year-around basis" so far as poultry production is concerned.

Although to a large extent an agricultural province, New Brunswick has been importing, according to official figures, about $10 millions of farm products annually. Businessmen have long been urging adoption by the government of a policy calculated to encourage increased agricultural production and "keep our buying power at home."

Poultry raisers of the province look for a profitable market in the United Kingdom this winter. Trial shipments of chilled poultry to England early in the present year found a favorable reception.

• • •

Few More Working

A check-up on 18 leading industries in Saint John shows little increase in employment compared with a year ago, although these plants are employing about 15% more men than 1932-33.

The unemployment problem here is still serious although there is hope of some improvement when the St. Lawrence closes and shipping activity is transferred to Saint John and Halifax.

• • •

N. S. Apples to Africa

First shipment of Nova Scotia apples to go from Montreal to South Africa in the last 20 years left that port recently.

According to the Montreal Gazette, Nova Scotia apples were at one time exported in considerable quantities to Africa but in the last two decades the Maritime products have not figured in the trade, most of the shipments being from B. C. orchards. Reason given for this was that South African importers prefer apples shipped in boxes with each fruit wrapped separately.

Apple exports from all ports are substantially lower than last year. Montreal has shipped 20% less boxes than last year while barrel shipments are down 75%. Barrels shipped from Halifax to Europe so far this year are down 65%. New York's trade is also cut in two.

• • •

Hits Cent Sale Practices

A compilation of "standards of practice for use of comparative prices," recently put out by the Toronto Better Business Bureau Inc. takes strong objection to practices often used in the advertising of "one cent" sales.

Says the Bureau:

"Claims such as 'two for the price of one' should not be used. If two articles are to be sold at one price, advertise it with an expression similar to the following example: 'Two men's spring suits for $23.50.'

"'One cent sale' indicates to the reader that an extra article will cost the customer only one cent more than the price he would have to pay for one article. The use of a list of manufacturer's indicated price when the item is sold regularly at a cut price would make the advertised offer misleading and untrue, unless the full facts are prominently set forth in the heading in direct connection with the featured words: 'One Cent Sale.' For example: Jones's 50c. cough drops which sell regularly for 37c. should not be advertised as 'two for 51c.' Honesty would compel the use of '2 for 38c.'"

• • •

Christmas Wage Schedules

A fixed minimum wage rate of 18 cents per hour in Montreal and vicinity, and 15 cents per hour in Quebec, Hull, Three Rivers and Sherbrooke areas has been agreed upon for extra help taken on during the Christmas shopping season according to Gustave Francq, chairman, the Quebec Minimum Wage Board. The regulations are to be in effect from November 15 to December 31 inclusive.

The scheme of the new regulation is to prevent exploitation of present regulations which require regular female employees in stores to be paid on the following basis: 10% of the staff a minimum of $7; 20% a minimum of $10 and the remaining 70% a minimum of $12.50 per week.

In 1935, special regulations for extra employees called for 50% of the temporary workers to be paid a minimum of $7 and the other 50% a minimum of $12.50 per week. These special regulations, it is claimed, were interpreted by unscupulous employers as applying to all help during that period, and are said to have led to the discharging of regular workers and taking on new employees at lower rates.

Travellers

J. A. Caulder, president and managing director of Dairy Corp. of Canada Ltd. on a trip to Western Canada told interviewers the chief reason for his trip was to arrange contracts for a plant addition at Winnipeg. He added that the three prairie provinces were producing more butter per capita than Ontario, and of higher grade.

• • •

B. P. Alley, assistant general manager, Canadian Bank of Commerce, Toronto, is on a tour of western Canadian business areas.

Aboard the Canadian Pacific liner Empress of Britain when she arrived at Quebec from England last week were Premier W. L. Mackenzie King, Dr. O. D. Skelton, Under-Secretary of State for External Affairs, and Mayor David Leeming, of Victoria, B.C., who took part in a conference at London regarding financial problems of the Pacific coast city.

• • •

H. C. Hatch, president of Hiram Walker-Gooderham & Worts Ltd. returned to Canada aboard the Empress of Britain from Europe.

• • •

Major T. Russel Cairns, prominent shipowners of Newcastle-on-Tyne, is visiting Canada. He arrived last week at Quebec.

• • •

Col. J. H. Woods, editor of the Calgary Herald, will be a speaker at the 23rd national foreign trade convention at Chicago 20. Among other prominent Canadians to attend will be Hon. R. C. Matthews, president of the Canadian Chamber of Commerce, Montreal.

• • •

Senior officials of the Hudson's Bay Company are making an inspection tour of retail stores of the company throughout Canada. Included in the party are G. W. Allan, K.C., chairman, Canadian committee of the company and president of the Great West Life Insurance Co.; P. A. Chester, general manager, Hudson's Bay Co.; F. F. Martin, general manager of retail stores; and Douglas MacKay. The party were recent visitors in Calgary, Edmonton and are en route to Victoria.

• • •

Robert J. Wilkinson, supervisor for the Sarnia, Ont., district, ordinary insurance branch, London Life Insurance Co. has arrived in Noranda, Que., to take charge of the company's organization in the Noranda area. He is provincial vice-president of the Life Underwriter's Association of Canada.

• • •

W. P. B. Wregg, director of Fry-Cadbury Ltd., Montreal, is on a tour of inspection of the company's western branches.

• • •

E. F. MacDonough, Trade Commissioner of the Los Angeles Chamber of Commerce, is visiting Vancouver and Victoria with a view to stimulating reciprocal trade and tourist business.

Sugar Beet Deliveries

Deliveries of beets at the sugar plants of Canadian Sugar Factories Ltd. at Raymond and Picture Butte, Alberta, exceeded the 150,000-ton mark this season.

Changing Conditions

Conditions in the field of investment meet with frequent changes. The resources of our organization for securing authoritative information upon investment subjects are available to any of our clients.

Inquiries may be made to our nearest Branch

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Winnipeg Vancouver Victoria New York London, Eng.

4¼% for twenty years

Compare this with the 1½% currently paid on deposits.

This rate can be obtained from a first mortgage bond having excellent security as regards assets and earning power. Earnings have steadily increased throughout the depression years.

Write us for particulars.

McLEOD, YOUNG, WEIR & CO.
LIMITED
Metropolitan Building, Toronto
Telephone: Elgin 0161
Ottawa
Montreal
London
Hamilton

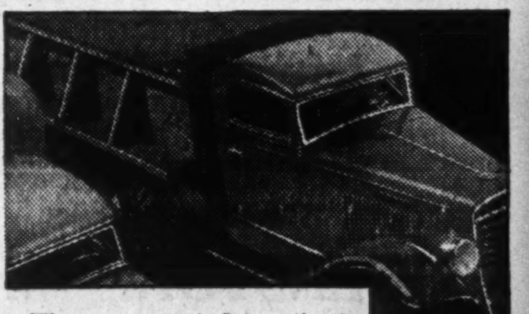
W. C. PITFIELD & COMPANY
LIMITED
Investment Dealers
HEAD OFFICE: 235 ST. JAMES ST. WEST
MONTREAL

Offering a Complete Investment Service

Direct wire from Halifax to Vancouver,
connecting with New York.

Branches:
TORONTO OTTAWA QUEBEC SAINT JOHN
HALIFAX VANCOUVER MONCTON FREDERICTON
CAMPBELLTON CHARLOTTETOWN

THE COMPLETE LINE
27 Models . . 79 Wheelbases
HALF-TON to SIX-WHEELER
INTERNATIONAL
TRUCKS



When you come to International Harvester you can buy *just as much truck as you need.* We will not ask you to buy *more.* Your own judgment will tell you not to buy *less.*

These Trucks are
Built for the Toughest
work you can give them

INTERNATIONAL

International Trucks! There are 27 models in 79 wheelbases — all hauling needs fulfilled. Here are trucks of six types:

- Conventional 4-wheel trucks in 11 models and 32 wheelbases
- Two-speed rear-axle trucks in 4 models and 14 wheelbases
- Dual-drive 6-wheelers in 3 models and 9 wheelbases
- Trailing axle 6-wheelers in 5 models and 14 wheelbases
- Trailing axle 6-wheelers with 2-speed driving axle — 3 models and 8 wheelbases
- Cab-over-engine truck in 1 model and 2 wheelbases

Quality trucks of 30-year reputation, backed by dealers and Company-owned branches everywhere — a matchless service organization. Is it any wonder that all sorts and conditions of men come to International for trucks to satisfy completely? All models available on easy time-payment terms at low rates. Complete information mailed on request.

INTERNATIONAL HARVESTER COMPANY
of Canada, Ltd.
HAMILTON ONTARIO

Truck Factory located at Chatham, Ont. Direct Factory Branches at: St. John, N.B.; Hamilton, London, North Bay, Ottawa and Toronto, Ont.; Montreal and Quebec, Que.; Calgary, Edmonton, and Lethbridge, Alta.; Vancouver, B.C.; Brandon and Winnipeg, Man.; North Battleford, Regina, Saskatoon, Swift Current, Weyburn, and Yorkton, Sask.

INTERNATIONAL TRUCKS

EXPLORE THE MYSTERIES OF THE PAST . . .

In the Cango Caves.

Left: Durban Ricksha Boys.

IN THE COMFORT OF THE PRESENT

THERE is a world of beauty you have never seen beneath the sunny skies of South Africa. A fascinating land of contrasts where the imagination reaches back into the unfathomable mystery of the past . . . where spendthrift nature flings her golden treasures, and where the industry of man has found prosperity and gracious living.

The mighty Victoria Falls, the Cango Limestone Caves, the myth-enshrouded ruins of Zimbabwe . . . here are names for the enraptured mind to conjure with! Tour, in glorious sunshine, the botanical wonderland of the Cape Peninsula . . . visit the Kruger National Park, where strange beasts prowl beside the smooth highway . . . rest, after happy days, in the cool enchantment of the star-hung African night.

Or turn from these exotic pleasures to the joys of modern civilization among a people famed for their hospitality. Ride the surf, attend the theatre, play golf or dance,—whatever your wish, South Africa grants its fulfillment in a new and fascinating idiom.

How to get there? Luxurious liners ply the tropical waters offering you a restful pleasant voyage. Just now Johannesburg is the home of a great British Empire Exhibition, and transportation rates have been reduced. Leading travel agencies will readily advise you.

THRILLS OF THE PRIMITIVE IN CIVILIZED COMFORT

Champion Simmons Investment Corp. Ltd.

$110.00 in Trust for Every
100.00 Owing to Investors—
5% Interest

Profitable Investment—

Profitable investment requires accurate and timely information, as well as sound judgment. These essentials are yours for the asking.

Enquiries answered promptly.

JOHNSTON AND WARD

Head Office: THE ROYAL BANK BUILDING, MONTREAL

Members: *Montreal Stock Exchange*
Montreal Curb Market
Canadian Commodity Exchange, Inc.

Branches: Montreal, P.Q.; Halifax, N.S.; Toronto, Ont.; Sydney, N.S.; Kingston, Ont.; Moncton, N.B.; London, Ont. Saint John, N.B.

140

Electrolux Corp. Pays "Extra" on Common

MONTREAL. — Electrolux Corp., whose stock is listed on the Montreal Stock Exchange, has declared an extra dividend of 30 cents a share in addition to the regular quarterly distribution of 40 cents a share. The "extra" is attributed to the undistributed profits tax which is being applied by the American Government.

For the first three quarterly periods of this year, Electrolux Corp. declared 10 cents extra for each regular quarterly payment of 40 cents.

FACING CENTRAL PARK IN NEW YORK, the Plaza is ideally located—a social center convenient to everything in town. This world famous hotel appeals to discriminating travellers who demand the utmost in comfort, service, and cuisine.

The DeMarcos dance and Eddy Duchin plays in THE PERSIAN ROOM.
Single rooms from $6 . . . Double rooms from $8 . . . Suites from $12.

Henry A. Rost, President and Managing Director

The PLAZA New York
FIFTH AVENUE AT FIFTY-NINTH STREET

Wages — Up or Down?

Industrialists Think Problem of Meeting Low Prices in Foreign Markets Best Met By Higher Efficiency in Home Production

Pay Cuts Not Way Out To Secure Export Trade

What part has the lowering of pay envelopes in the problem of securing expansion of markets for Canadian exports?

Recently C. H. Carlisle, Canadian industrial leader, to illustrate his contention that a reduction in wages was needed to overcome the barrier of meeting low prices in foreign markets, said the Canadian workman who gets $2 a day and has to spend only $2 a day, is as well off as the man who gets $7 a day and has to spend $7 a day to maintain himself and his family.

Large employers of labor, consulted by The Post, do not feel that a drastic wage cut is necessary but in the accompanying article hold to the view that higher efficiency and greater economy in production are the way out. Another article on the question of higher or lower wage scales will appear next week.

By JOHN DUKE

Canadian industrialists see an important relationship between wage rates in Canada and our export trade to highly competitive markets abroad. But they do not think it would be feasible or desirable for Canada to reduce its wage level to the point that would permit competition in export with countries whose people are satisfied with a low standard of living.

In statements to The Financial Post, several leaders of Canadian industry refer to the recent remarks of C. H. Carlisle, eminent Canadian industrialist, on the subject of wages and costs in export trade.

Wages Not Whole Picture

One manufacturer, actively engaged in the production of heavy industrial goods, writes:

"If we start out from the premise that Canada is an exporting nation and that our internal economy is very considerably affected by the world price of wheat, we are forced to consider the effect of high wage rates and a high standard of living on Canada's position as an exporting nation.

"With this thought in mind, it is obvious that we would be better able to compete in the world market if we could bring about a condition under which a man would be as well off spending $2 a day for necessities as he now is when spending $7 a day with a corresponding reduction in his earning capacity. These figures of $7 a day and $2 a day are taken from Mr. Carlisle's remarks as reported and it is doubtful whether they are used only as an illustration or are based on the difference in the scale of wages between Canada and, say, Japan. If, however, they in any way represent the difference in the scale of wages which Mr. Carlisle would like to see in effect in Canada, the proposed reduction would appear to be very drastic.

"A comparison of wage rates as between two countries cannot give the whole picture. Equal importance should be given to the effective employment of both capital and labor—in other words, the production of real wealth per dollar of capital invested in equipment and per man hour expended in production.

"Momentarily, countries like Japan and Russia have greatly increased the efficiency of their equipment and personnel without a corresponding increase in the scale of wages for labor. For national reasons, Germany is also forcing the same situation on her people. Where productive capacity exceeds internal consumption, this gives these countries the edge in certain export markets.

"The natural result of this is that import barriers are raised in those countries whose internal economy would be affected by a flood of cheaper goods from the exporting countries with a lower scale of living and a lower standard of wages.

"To get away from an academic discussion of economics and get down to the practical problems of running a business, I cannot see how we can, by taking thought, reduce wages in anything like the proportion of $7 to $2."

Points to U. S. Picture

Another very large employer agrees that it is no answer to Canada's problems to cut wages merely to get export trade. He says:

"It is a defeatist policy to believe that we can support Canadian living conditions by engaging in the production of those things which require us to sell at prices involving reduced wages, in order to compete with countries of a very much lower grade of intelligence and living conditions. We should rather seek to satisfy wants that will require greater intelligence and skill and, therefore, command a better return.

"The higher we can carry our production in respect to the amount of skill, and the brains and capital involved, the more we may expect to get for our time. As an example, American steel, instead of being sold for export in a raw or semi-finished state, leaves the country in the form of automobiles in competition with the world, in spite of high wages, purely as the result of mass production, high technique and a superior home market. As the average degree of intelligence is raised, so should higher efficiency give grounds for higher wages and the more abundant life about which we hear so much. Results, however, cannot be expected if we produce low-grade products and do not improve our productivity and efficiency.

Should Tend Upward

"I do not think it wise, as a general policy, to let one's mind incline toward the lowering of wages as a way out. They may temporarily get out of step with primary products but wages, as representing a means of providing a fuller share of the results of production, should tend upward if we have the right objective before us. An increase in 'real wages' can result only from a greater capacity to produce, and the intelligent combination of brains, machinery and effort. Cutting wages should be regarded as the last resort in these enlightened times. Greater efficiency and economy in production, improved plant and methods, opportunities for research of all kinds, should be exhausted in the attempt to market goods before it is appropriate to consider the desirability of moving in the direction of lowering wages as a general policy. Our outlook should rather be in an opposite direction.

"However, in connection with Canada's exports, which are composed largely of agricultural products and products of the mine and forest, the wages available to the worker in the broad sense will result from the yield realized by the producer. If we had been compelled to accept the paper, lumber and wheat prices of 1933 as maximums, it would have been necessary to liquidate wages in Canada to conform thereto. It is not clear to me, therefore, why Mr. Carlisle talks of cutting wages in order to expand export markets, because, in general, we are not likely to be exporters of manufactured goods until our production satisfies our own market needs and reaches a volume which supports efficient production costs.

Farmers Overlooked

"That situation is being reached in various lines and the country is making real progress. At the same time the cry of the farmer is that we should facilitate the export of wheat by accepting goods in exchange from other countries, and that, unquestionably, is fundamental to the promotion of export trade. Our export problems are, therefore, not essentially dependent on such a factor as manufacturing wages, to which Mr. Carlisle refers, except in so far as they may produce costs unfair to the primary producer or exporter. By the same token, however, the agriculturist's dependence upon the domestic market is never accorded the importance it deserves."

Another leading industrialist also urges Canadians to think in terms of efficiency of production in building export trade in manufactured goods. He says:

"Canada, of all countries, is outstandingly dependent on its export trade, and as the cost of labor and living is higher than in other countries, to produce our goods in competition with them we must be more efficient."

Efficient Production Cuts Costs

He too points to the relationship between high efficiency at home (accompanied by high wages) and a large export trade.

"The United States protective tariff was first designed to protect a high standard of living. Its enormous domestic market enables them to produce many of their products on a mass production basis, which decreases the cost to such an extent that they can compete with countries who cannot produce on a mass production basis, owing to their small home consumption.

"For example, the United States pays a higher wage scale in its automobile industry than any other country in the world, yet its enormous home market enables mass production, resulting in a lower cost than any other country in the world."

All Classes Should Share

S. G. Blaylock, vice-president and general manager, the Consolidated Mining and Smelting Co. of Canada, feels very keenly the necessity of more nearly equalizing wages for different classes of labor. To The Financial Post, he says:

"The farmers should receive at least as much as unskilled labor in industrial plants. They would then be in a position to purchase their share of luxuries. The world today cannot be employed on making necessities for more than two or three hours a day. The remainder of the time must be used in making what might be classed as luxuries, the marketing of which must necessarily depend on the ability of the masses to buy."

In an address delivered in 1934, Mr. Blaylock said, on the same point:

"In order to keep everyone employed it will be necessary to consume much more than has been consumed in the past. The world today is equipped to sustain a standard of living unheard of to date. Many warehouses are still stocked with goods of one kind or another; the elevators are still full of wheat and grain, and yet millions go hungry. Why then have people been starving to death? The answer is quite simple, and I would say could be contained in one sentence, 'Some things cost too much and others not enough.' The wages paid to the men making some of these things are too high in comparison with the wages to the remainder."

Prof. Jackman Opposes C.N.R Capital Changes

Strong objection to the proposed recapitalization of the Canadian National Railways was taken by Prof. W. T. Jackman, professor of transportation at the University of Toronto, in addressing the Ottawa Canadian Club last week.

In attacking the proposal, which Hon. C. D. Howe, minister of transportation, recently stated would be submitted to the next session of the federal house, Prof. Jackman declared no useful purpose would be served by the recapitalization since it would not reduce the actual cost of the railway to the Canadian taxpayer. The change of capitalization, he said, would be largely "a deceptive bookkeeping adjustment," which would conceal the real cost of the public ownership of the railway from the taxpayer.

There are certain changes, however, in the proposed recapitalization to which no objection could be made, Prof. Jackman, stated. The $100 millions of old Canadian Northern Railway stock for which the government paid only $10 millions could be adjusted accordingly. The $165 millions of Grand Trunk Railway debentures found to be worthless by the arbitration commission could be wiped out. The $15.1 millions given by the Dominion Government as aid in construction work to private companies, and which was always rated junior to securities declared to be worthless when the roads were taken over, might reasonably be erased. These changes, with the corresponding reduction of the property investment account, would bring the books of the railway into conformity with established facts.

No Justification for Changes

But in regard to the other changes in the capital structure, which were proposed by the former auditors, there is no justification, according to Prof. Jackman. In the first place, the proposal to convert $348.5 millions of loans made by the government for capital purposes from fixed interest-bearing obligations to capital stock is unsound. Capital advanced by the government must bear a fixed rate of interest and be shown clearly in the railway accounts if there is to be a safeguard against extravagant demands for loans from the Dominion treasury. The railway accounts should reflect the accrual of such interest and the extent to which they remain unpaid.

Contrary to Business Sanity

In the second place, the speaker stated, the proposal that $324 millions advanced by the government for deficits should be written out is contrary to business and economic sanity. If any company is given the benefit of a loan from year to year it ought to pay interest on that loan. If the Canadian National is allowed to divest itself of its deficits the way will then be open for it to disregard economical operation.

Furthermore, the funds to pay these deficits were largely obtained by the government through the sale of bonds on which it continues to pay interest. To the extent that funds were provided by current taxation this prevented the reduction of the national debt by an equivalent amount. Moreover, if the Canadian National is permitted to eliminate deficits from its balance sheet, this would in principle be equivalent to an annual subsidy. This, Prof. Jackman said, would be unfair to the privately owned Canadian Pacific, which must meet its obligations in full, while its competitor is relieved of all its income deficits no matter how great.

Since it will not change the earning power of the Canadian National one iota, Prof. Jackman suggested the proposed recapitalization is a case of pure deception with the object of dissembling the real facts as to the disaster of government ownership and operation.

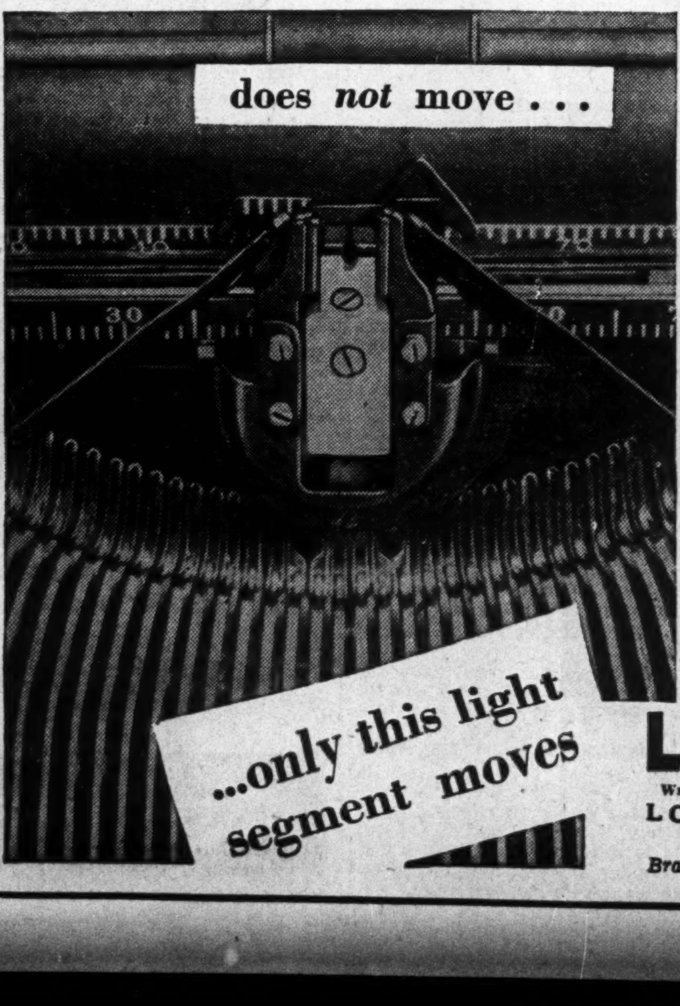
Favors Unification

The natural course for the government to pursue in regard to the C.N.R. is not to recapitalize it, but to exercise economic sanity, by linking the C.N.R. and the C.P.R. for the purpose of operation, and thereby greatly reduce the operating and overhead expenses, Prof. Jackman pointed out. For this purpose reliance should be placed upon an independent board with executive officers whose tenure of office is not under the control or subject to the whims of politicians and the electorate, he stated.

B. C. Telephone Records Gain in Installations

From Our Own Correspondent

MONTREAL.—An increase of 3% in telephone installations is reported by B. C. Telephone Co. in the nine months of 1936 to Oct. 1. Gains in Vancouver and Victoria were 2.5% and 2.3%, respectively, with larger advances in lumbering, mining and agricultural centres, bringing up the general increase throughout the system to 3%.



"IT FLOATS!"

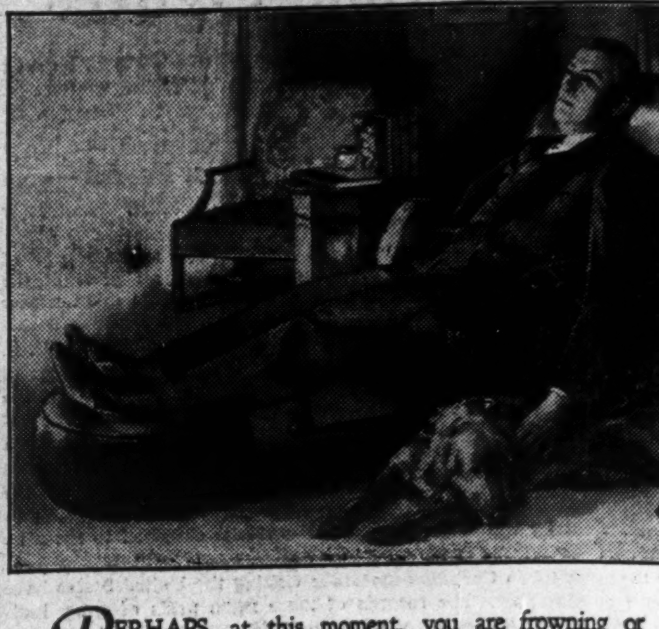
Aptly named is the Smith Floating Shift! It's so easy to drop the light type segment—instead of lifting the whole heavy carriage—to make a capital letter.

Takes little more effort to shift than to strike any other key. Silently, on ball bearings, the machine JUST FLOATS ALONG. Result: More speed. More work. More comfort.

Silent L C SMITH

Write or phone for the 10-day examination.
L C Smith & Corona Typewriters of Canada Ltd., Toronto
Branches and dealers throughout Canada

Can you RELAX?



PERHAPS, at this moment, you are frowning or hunching your shoulders, clenching your hands or holding your neck stiffly. Do you notice any physical strain? Now let the muscles go limp for just three minutes and notice how much "smoother" you feel.

When the muscles relax, the nerves to and from those muscles are relieved of tension and get much needed rest. If you are nervous and high-strung, the chances are that some of your muscles are tightened and are wasting your nervous energy.

In this high-speed age, "nervousness" is becoming more and more common. Too many people work, play, travel—even sleep—under tension. They pay little attention to fatigue until they near exhaustion.

You may not realize what a severe toll tightened nerves will take. Long continued high tension is often associated with high blood pressure, heart symptoms, intestinal disorders, insomnia or nervous irritability. One of the first signs of nerve tension is irritability, most likely to occur during the years when you strive with all your might to reach your goal.

Some persons can relax naturally, but for the majority it is an ability to be acquired only by practice. If you are one who cannot relax easily, try lying down regularly each day and train yourself in relaxing groups of muscles—those of the hand, arm, or face—until you can relax the entire body. When not called upon to work, every one of your muscles should be thoroughly relaxed.

Muscular and nervous tension can in many cases be overcome by a hobby or some healthful game, or by sufficient rest or massage. Warm baths may be helpful. But if, despite your best efforts, you are unable to relax, see your doctor. Most likely he will soon find the cause of your difficulty and start you on the road to better health.

Keep Healthy—Be Examined Regularly

METROPOLITAN LIFE INSURANCE COMPANY

CANADIAN HEAD OFFICE—OTTAWA

FREDERICK H. ECKER
Chairman of the Board

LEROY A. LINCOLN
President

SERVING CANADA SINCE 1872

The WESTERN SAVINGS and LOAN ASSOCIATION

HEAD OFFICE: WINNIPEG, MANITOBA

AGENCIES
EQUITABLE LTD., Calgary, Alberta
BUTLER BYERS BROS. LTD., Saskatoon, Sask.
McCALLUM-HILL AND COMPANY, LIMITED, Regina, Sask.
J. K. KINGLAND & COMPANY, LIMITED, Herald Building, Lethbridge

Wise Business Executives Provide for "Unexpected" Losses

Burglaries, fires, payroll robberies, dishonesty of trusted employees, are *not* expected but good executives provide against them.

Bad Debt Losses are always "unexpected," because no intelligent Credit Manager ever approves shipment of a dollar's worth of goods to a firm which he *expects* to fail or default. Yet, even in the best of times Credit Losses cost Manufacturers and Wholesalers many millions of dollars annually.

Credit Insurance

is the medium with which prudent, far-sighted, and conservative business executives provide in advance for the occurrence of the *unexpected*. Credit Insurance obviates worries and uncertainties -- establishes a "contingent fund" which permits intelligent, long-range planning.

Credit Insurance covers insolvencies of all kinds. Moreover, Delinquent Accounts are handled exactly as insolvencies when claims are filed according to the terms of the policy. Thus, your capital works for you -- it is not financing your Debtors' business.

General coverage is only one type of Credit Insurance. Individual Accounts are insurable; also Special Groups of Accounts, Non-rated Accounts, etc. As business improves and expands the need for credit protection increases.

CANADIAN DIVISION
AMERICAN CREDIT
INDEMNITY COMPANY
of New York —— J. F. McFadden, *President*

F. A. REID
General Agent
503 Canada Cement Building
Phone: LA. 3258-3259
MONTREAL, QUEBEC, CANADA

T. F. McOUAT
General Agent
34 Montreal Street
SHERBROOKE, QUEBEC, CANADA

C. A. MULLEN
General Agent
The Metropolitan Building
Phone: ELgin 9303
TORONTO 2, ONTARIO, CANADA

CREDIT INSURANCE EXCLUSIVELY SINCE 1893

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of nonsubscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select lists of securities; express opinions; or make forecasts.

Three-cent stamp must be enclosed. Address The Financial Post, 481 University Ave., Toronto.

Asbestos Corp.

Kindly let us have a report on Asbestos Corp. We understand the company is doing much better and that a dividend has been paid on the common stock.

Asbestos Corp. has recorded a marked improvement in its earning power over the last two years. This has enabled the company to build up a strong working capital position. As a result it has resumed cash interest payments on its general mortgage bonds and has called for redemption practically all of the underlying bond issues.

Asbestos Corp. has no first mortgage bonds outstanding. Its only direct funded debt is the general mortgage bond issue. It is anticipated the company will take some action to have these bonds redeemed either through a bank loan or a new bond issue, as under the present restrictions, it would not be possible to pay dividends on the common stock until nearly $900,000 of sinking fund and interest arrears have been paid on the general mortgage bonds. This is an obligation of such size that it would prohibit the company from paying dividends for several years.

Loblaw Groceterias

Loblaw Groceterias stock appears to hold good investment possibilities if earnings continue to cover dividend requirements and the company continues to grow. What is the outlook?

Loblaw Groceterias Co. has stabilized its earnings between $1.08 and $1.28 a share in the last seven years. Thus, the annual dividend of $1 a share is being covered. The company operates one of the most efficient food marketing chains in North America but the great days of expansion in such chain store operations appear to have passed, although improvement in earnings from present stores is still possible.

Walker-G. & W.

I would appreciate information on the position and prospects for Hiram Walker-Gooderham and Worts.

Hiram Walker-Gooderham & Worts Ltd. reported earnings of $6.56 a share on the common for the year ended Aug. 31, 1936. The company has expanded in the United States and has completed the financing needed to carry on the huge U. S. operations. The working capital position is strong, but considerable expense has been incurred in building up large inventories in the United States to satisfy the eventual demand for matured spirits. As time goes on, and supplies of liquor mature, it is expected that competition in the United States will grow even more lively than it has been since the repeal of the prohibition amendment.

On the basis of earnings, the present price of the shares appears to be conservative, but the reason for this is that the industry is subject to peculiarly heavy taxation, and investors are uncertain just how the long-range picture will develop. While the company has important Canadian and export interests, the American venture is likely to be a major influence on earnings.

Hamilton Bridge

What is the reason for higher prices quoted on Hamilton Bridge preferred when the company is four years behind in dividends?

Hamilton Bridge Co. is doing considerably better business this year, which has caused the rise of the preferred shares. Naturally, one of the first things the company would do if it could earn the regular preferred dividend would be to settle up arrears. As yet, it has not been shown that the company can earn the regular preferred dividend, but in view of possible revival of the construction industry in Canada many investors are hanging on to the security.

The company has shown substantial losses in recent years, and has suffered a reduction in working capital but this year may be able to show a profit. There are no securities senior to the preferred shares which stand to benefit from any further improvement.

Imperial Tobacco

Is the preferred stock of Imperial Tobacco Co. of Canada regarded as a sound investment?

Imperial Tobacco Co. of Canada preferred stock is regarded as a first-rate investment. The record of this company over many years has been a favorable one, and earning power is several times in excess of dividend requirements on the preferred stock.

Western Grain 6's

Would you please advise as to the prospects for Western Grain Company's 6% first mortgage bonds, due 1949 and the year's prospects for earnings of the company?

Western Grain Co. earned its bond interest 1.7 times before depreciation and .8 times after depreciation in the year ended July 31, 1936. Working capital rose to about $730,000, the highest since the present company was formed. The first mortgage bonds have been reduced from $3 millions to $2,720,000. Although the company failed to earn bond interest and depreciation in full, the fact it has been able to increase working capital materially, shows conservatism in its accounting practices.

The outlook for the company for the 1936-7 year is not good, because of the very small crop this year. This means that there is little grain in storage, and a smaller movement, so that the company's revenue may decline, although economies in operations are being effected.

Great West Saddlery

I would be grateful for any information you could give me regarding the record of earnings of Great West Saddlery Co. during the last few years.

The record of Great West Saddlery Co. is not particularly impressive. Earnings amounted to 19 cents a share on the 6,992 first preference shares last year, compared with $1.48 a share in the year ended June 30, 1934, and $1.42 a share in the year ended June 30, 1929. In the intervening years, no earnings were shown on the shares. There are also 1,447 second preference shares and 40,003 common shares outstanding.

The company's senior security is $478,500 of 6% first mortgage bonds. For the six months ended June 30, 1936, after interest and depreciation, net profits were $3,061 compared with a net loss of $10,651 for the first half of 1935.

Can. Power and Paper

Does Canadian Power and Paper Investment intend making payment on account of unpaid interest?

Under the plan of reorganization approved by the debenture holders, Canadian Power and Paper Investments' payment of interest on the debentures is postponed until Aug. 1, 1938. Provision is made in the agreement, however, that as often as the company accumulates available income sufficient to pay one half yearly interest payment or any multiple thereof, such income will be applied yearly to payment of the interest then longest in arrears under the present terms of the trust agreement. To date the management has not given any indication as to when a payment will be made.

Ottawa Valley Power

Would you be good enough to let me know briefly the present position of Ottawa Valley Power Co.? I hold some of the bonds.

Ottawa Valley Power Co. plant was built solely for the purpose of supplying power to Ontario Hydro. A long term contract was entered into which provided the company with sufficient income to meet all its obligations. This contract has been repudiated by the Ontario government, with the result that the company now has no revenue nor is there any prospect of a substitute market at present. The company is endeavoring to establish its contract by legal methods, but prospects of success are indefinite.

National Steel Car

Please let me have a report on the position of National Steel Car and the prospect of a dividend in the near future.

National Steel Car reported net earnings at the end of June 30, 1936, of $368,982, against a deficit of $203,294 in the previous 12 months. Finances of the company are in good shape. There is little business on the books. Under normal conditions, the company can report substantial earnings, but until the railways enter the market for new equipment, it is difficult to see where National Steel Car can show earnings sufficient to justify a dividend.

Imperial Oil

Will you kindly give us your view of the prospects for Imperial Oil, particularly in relation to dividend outlook?

Imperial Oil Co. earned 93.6 cents a share in 1935, compared with 95.7 cents in 1934. A major portion of the company's revenue comes from its large subsidiary, International Petroleum Co.

Imperial Oil recently adopted a policy of leasing its gasoline station properties to the individual operators. Consequently, it is interested in retail gasoline marketing largely as a landlord, and as a wholesale merchant of gasoline and oil to the operators. Its other major interest is production of crude oil through International Petroleum Co. and refining the numerous products.

Earnings, therefore, and the outlook, depend to a considerable extent upon the price of crude oil which has been fairly stable recently. The company is paying dividends of 50 cents a share and bonuses of 75 cents a share annually, and can continue this policy for some time even though the full amount is not earned. Eventually, it is hoped earnings will rise to cover the full dividend, including extras. Yield on the shares is attractive in comparison with other high quality equities.

Canada Cement

I am a subscriber to The Financial Post and would like to take advantage of your enquiry service to ask your opinion on Canada Cement common stock.

Canada Cement Co. is expected to benefit materially from a revival in building activity. However, we would point out the company is still in arrears of dividends on its preferred stock, and that until this obligation is liquidated, there is no chance of any dividends being paid on the common. The long term outlook for the company is favorable, but, at the present stage, the common stock should be regarded as speculative, particularly since earnings on the stock have never exceeded 39 cents a share in one year.

Bakery Stocks

Canadian food stocks reviewed recently in The Financial Post seem to offer investment opportunities. I would like some indication of current earnings of Consolidated Bakeries, Canadian Bakeries and Canada Bread.

Consolidated Bakeries appears to be doing better this year, and may again pay extra dividend at the end of the year.

Canadian Bakeries has been able to earn bond interest before depreciation, but there is no immediate prospect of any returns for shareholders.

Canada Bread Co. has been doing better, and covers the first preferred dividend by a comfortable margin. The B preferred and common have possibilities of better returns.

Standard Paving

Is there any justification for the hope that Standard Paving and Materials can pay a dividend on the preferred stock as a result of reviving activity in the construction industry?

Standard Paving and Materials would be able to show earnings if there is considerable revival in highway construction and similar building, which, however, depends partly upon improvement in government finances. The company showed operating profits in the last two years, but losses after substantial charges for depreciation. Since there is no security senior to the preferred shares, except the underlying 7% preferred stock of the subsidiary, Consolidated Sand and Gravel Ltd., the company could pay preferred dividends if earnings were realized. So far, there has been no earnings of sufficient size to indicate resumption of dividends.

Paramount Pictures

Is there a chance that Paramount Pictures will pay a dividend soon?

There appears to be no prospect for dividends in the near future. Earnings for the first half of 1936 were disappointing, showing a deficit of 43 cents a share on the common, contrasting with earnings of 83 cents a share in the first half of 1935. All told, it does not appear the earnings for the full year will be nearly as high as in 1935.

Canadian Western

I am interested in securing information concerning the earnings position of Canadian Western Natural Gas, Light, Heat and Power Co. and the position of the preferred.

The net profit for 1935 was $519,473 compared with $444,656 for 1934. That was equal to $17.34 a share on the preference stock against $14.47 in 1934. The company has no funded debt. The company controls the natural gas resources in the territory served. It cannot count indefinitely on supplies from the Turner Valley field and the Bow Island field which it is repressuring. It is therefore exploring for new fields. It paid a dividend of $1 on the common stock on June 1 and that goes mainly to its parent company, Dominion Gas & Electric Co., which in turn is controlled by International Utilities Corp.

Winnipeg Electric

In 1929 I purchased Winnipeg Electric common and also took advantage of the rights. Will you let me know the current position of the company?

The new stock of Winnipeg Electric is selling around $3 a share. Under the plan of reorganization carried out by the company a short time ago, debt charges are reduced to a point where the company can comfortably carry them out of present earnings. As conditions improve, income should increase and eventually there are hopes of earnings available for distribution on the common stock.

International Pete

What is the outlook for earnings of International Petroleum this year?

International Petroleum Co.'s report for 1936 will appear shortly, and is expected to show improvement over last year.

Canada Vinegars

Are earnings of Canada Vinegars sufficiently large to justify present dividend payments?

Canada Vinegars for the year ending Nov. 30, 1936, will probably show the present dividend of $1.20 a share covered by earnings. The company is using a new German process in manufacturing vinegar, and this is of considerable help in reducing costs. However, it has also had considerable competition which has lowered the price of its products. This accounts largely for the decline in earnings which formerly used to be around $1.60 a share.

Maple Leaf Milling

How do the new preferred and common shares of Maple Leaf Milling Co. compare as a result of the reorganization?

Maple Leaf Milling Co. new class A preferred shares are regarded as superior to the common shares, since dividends are distant in any case, but the preference has a participating feature.

Dividends on the new preferred become cumulative at the annual rate of 70 cents a share after Dec. 1, 1938. In any further dividends the preferred participates equally with the common shares. Consequently, the shares not only have first call on any dividends, but stand to enjoy any further benefits equally with the common. The preference shares, however, are callable at $17.50 each.

George Weston

George Weston common shares have been recommended to me as a good investment. Is the dividend likely to continue?

Interest in Weston's common is due to the company having shown increasing earnings for some years, and this year reports higher earnings than in 1935. The directors have promised to consider, some time toward the end of the year, whether even more liberal dividend action will be taken.

Can. Wirebound Boxes

Any information concerning Canadian Wirebound Boxes class A shares would be appreciated. Are the shares subject to call?

Canadian Wirebound Boxes Ltd. last year showed earnings of $1.50 a share, or precisely the amount of the cumulative dividend required on the class A shares. The full dividend of $1.50 a share is now being paid. In the depression arrears of $3.25 a share accumulated, and eventually these will have to be paid off. The shares are not redeemable by call, but the company can purchase the stock for redemption up to $23.40 a share. By this means the number of shares outstanding has been reduced. from 90,000 to some 55,000. The company has a good record but not an exceptional one.

Int. Metal

I hold common shares of International Metal Industries and would like to find out what likelihood there is of a dividend.

International Metal Industries is doing much better this year and may show the preferred dividend nearly earned, so that the common shares would eventually benefit from further improvement in business. First, however, arrears of dividends on the preferred must be paid.

Ontario Steel Products

I note that Ontario Steel Products preferred pays 6.6%. What do you think of this as an investment?

Ontario Steel Products earnings have risen substantially and preferred arrears are being paid off. However, the full dividend was only resumed this year and in the depression the company's record was unsatisfactory. Earnings were equivalent to $16.60 a share on the preferred in 1935-36, compared with $3.58 a share in the preceding year and only 15 cents a share in the year before. The company is benefitting from increased activity in mining and in the automotive industry from which it gets major volume.

Brewers & Distillers

Would it be better to sell out my holdings of Brewers and Distillers of Vancouver, or exchange under the one for 10 plan? I have already taken a large loss on the stock.

The plan of Brewers & Distillers of Vancouver to exchange the outstanding 5,777,378 no par value shares into 577,738 shares of $5 par value does not change the relative position of shareholders with regard to current profits. It reduces the balance sheet valuation of the common shares from $4.5 millions as it stood at the end of 1935 to $2.9 millions. That adds to the surplus of $1.5 million and makes a total of $3.1 millions available for distribution to shareholders, and a payment of $1 a share on the new stock is expected.

As the company has more than $3 millions in net current assets there is apparently quite a possibility that there may be distributions from time to time. The president, R. Kerr Houlgate, said in April that it is the company's policy to dispose of its American-type whisky as opportunity offers in the United States. He expects that the whisky situation will get more and more competitive as stored stocks mature, and therefore the company will withdraw entirely from the United States business when this liquidation is completed. It will then depend on the Canadian market for whiskies and beer and a small export demand which may remain.

Simpson's Preferred

I hold Simpson's preferred stock and am considering selling it to get a better yield from something else. What is the outlook for the stock and a dividend increase?

Simpson's preferred stock pays only $4 a share but hopes for an increase are strong in view of the improving position of the company for the last two years. In the current year apparently the improvement has been marked. Further recovery would allow payments on the arrears of over $20 a share.

Goodyear Preferred

Is Goodyear Tire preferred considered a first class investment holding?

Goodyear preferred stock has a pronounced investment value in view of the consistent earnings record of the company for over 12 years, but it sells above the redemption price of $52.50 a share.

Rogers Majestic

I have been frequently disappointed at the earnings results of Rogers Majestic, and as a shareholder I would like to know whether there is going to be any improvement this year.

Rogers Majestic is having better business this year and prospects have accordingly improved, but in view of recent years' results it may be misleading to predict substantial earnings. The biggest sales period of the year is just at hand.

Dryden Paper

Do you consider Dryden Paper Co. 6% bonds as safe?

Dryden Paper Co.'s financial statement for the year ended Sept. 30, 1936, is expected to make its appearance soon. While there has been no official intimation of what the report will show, it is understood that during the past year earnings were sufficient to cover interest charges, with a fairly substantial amount left over for depreciation and depletion. Current income is said to be on an even better basis. In the fiscal year 1935, Dryden reported net earnings of $93,365 against which interest charges amounted to $86,400. Financially Dryden holds a strong position and with a further improvement in business, should be able to report larger earnings.

Walker's Bondholders In Conversion Stampede

Holders of 4¼% convertible debentures of Hiram Walker-Gooderham & Worts Ltd. whose holdings are among the $2 millions of bonds called for redemption at 104 on Dec. 1 have rushed to convert them into common shares. The redemption, therefore, will cost the company less than $2 millions.

Holders of called bonds nominally had the right to convert into common stock at $40 a share up to Dec. 1; that is, $100 of debentures for 2½ shares. The unusual terms of the conversion privilege, however, indicate that holders of called debentures who have not already converted their holdings will not be able to do so except on a basis of $45 a share.

Terms of Conversion

Debentures are convertible into common stock at $40 a share only if $6 millions of debentures are outstanding. The issue was $8 millions and $2 millions have been called for redemption on Dec. 1 If the outstanding debentures total more than $4 millions but less than $6 millions, conversion can be made only at $45 a share for the common; that is $100 of debentures for 2.22 shares. If $2 millions to $4 millions are outstanding, the conversion price of the shares is $55; or $100 of bonds for 1.82 shares. If less than $2 millions of debentures are outstanding, the price is $60 a share, or $100 for 1 2/3 shares.

Immediately upon conversion or redemption of $2 millions of debentures, the conversion price becomes $45 a share for common stock. The Financial Post learns, however, that, conversions of both called and uncalled debentures, already total $2 millions so that further conversions can only be made at $45 or higher.

$1,250,000 Converted

The company recently advised the Toronto Stock Exchange that the 164,140 common shares set aside for conversion of the debentures, 31,200 had been issued up to the close of business on Nov. 2 and that the company then had 691,300 common shares outstanding. The issue of 31,200 shares indicated that approximately $1,250,000 of debentures had been converted into common shares and among these are known to be debentures which have not been called for redemption.

The result is that some of the investors whose debentures have been called for redemption will find that conversion privilege at $40 per share into common stock is no longer in effect and that conversion can only be made at $45 per share. Such holders would consequently have the choice of cashing their debentures at $104 on Dec. 1 or converting them at $45 per common share.

Shares Sell at $47

Already the common shares have sold over $47 a share. This would ordinarily be the signal for astute speculators to convert debentures into common stock at $40 per share and sell the stock in the open market at $47. On the other hand, the reduction in outstanding debentures, bringing in the $45 conversion price, would remove this possibility of profit.

It works like this. At present $100 of debentures can be bought for about $110. If the $40 conversion privilege existed, the $100 of debentures could be converted into 2½ common shares. The cost of the shares to the buyer of debentures is therefore $44 each, or well under the recent market value for which the shares could be sold.

Under the $45 conversion price, the buyer of $100 of debentures at $110 would have a call on only 2.22 shares at an average cost of slightly over $49.50. This would represent a loss at present market prices for the shares.

Order of Conversion

Conversions of debentures are made by the company's transfer agents in the order of application. Hence the flow of conversions. It would be possible for $2 millions of debentures to be converted in addition to the entire $2 millions called for redemption, although this is improbable. However, redemption of less than another $2 millions would bring the $55 conversion price into effect.

The unusual feature of the conversion privilege is the rise in price of common shares to converting debenture holders according to the amount of debentures outstanding Most conversion features are arranged to alter with the passage of time rather than with changes in amount.

Surrender 1925 Charter

Gairdner & Co. Ltd., Toronto investment firm, operates under a 1930 Dominion charter, and has given notice in the Canada Gazette of intention to surrender its 1925 charter.

STOCKS LISTED AND UNLISTED BONDS
Hambly, Peaker & Trent
Members
THE TORONTO STOCK EXCHANGE
613 DOMINION BANK BUILDING
TORONTO
Elgin 3294

Good Bonds Are Always A Wise Investment

THOSE who buy good bonds for safety and income can always be confident that they have invested wisely.

Carefully chosen common and preferred stocks are both desirable, but sound judgment dictates that the backlog of every investment account, large or small, should be good bonds.

Our current list includes carefully chosen values in public utility, industrial, municipal and other issues.

Let us help you select those best suited to your needs.

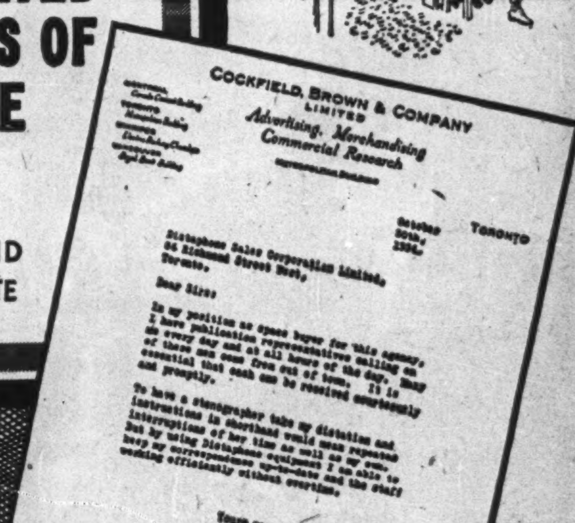
HANSON BROS
INCORPORATED
56 Sparks St., Ottawa
Queen 8774
330 Bay St., Toronto
Adelaide 6408
255 St. James St., Montreal
HArbour 9281
101

CANADIAN SECURITIES
Dominion and Provincial
Government Bonds
Municipal Bonds
Public Utility
and
Industrial Financing
DOMINION SECURITIES
CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, Eng.
15 King Street West, Toronto

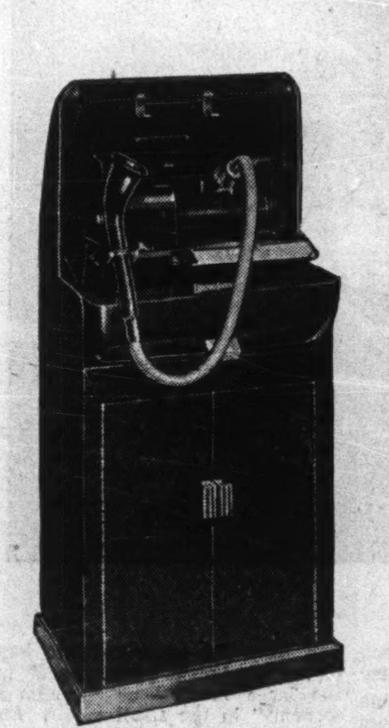
CROWN
ZELLERBACH
CORPORATION
Earnings record gives distinction to this U.S.-Canadian producer of newsprint and other pulp and paper products.
Analysis upon request.
Greenshields & Co
Members Montreal Stock Exchange
Montreal Curb Market
507 Place d'Armes, Montreal
TORONTO OTTAWA QUEBEC
SHERBROOKE
73

CANADA'S GROWTH
Canada's greatness is the result of generations of growth. By safeguarding savings, by promoting confidence, by stimulating construction, by encouraging thrift, the Canada Permanent Mortgage Corporation has contributed to Canada's sturdy growth for more than 81 years.
FOUNDED 1855
CANADA PERMANENT
Mortgage Corporation
HEAD OFFICE: 320 BAY ST., TORONTO
ASSETS EXCEED $69,000,000

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED DEBENTURES ISSUED
Mortgage loans on owners' homes at low rates of interest
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000



COCKFIELD, BROWN & COMPANY
LIMITED
Advertising, Merchandising
Commercial Research
TORONTO



DICTAPHONE
BRIDGES REPEATED
INTERRUPTIONS OF
AGENCY SPACE
BUYER
KEEPS DICTATION AND
OFFICE WORK UP-TO-DATE

The word DICTAPHONE is the registered trade-mark of Dictaphone Corporation.

Advertising agency work calls for efficiency. Insertion dates have to be met. Delay cannot be tolerated. Leading Canadian agency executives rely on Dictaphone to keep their work up to the minute.

With Dictaphone there is no waiting till a stenographer is free to take dictation. Dictaphone is at your command instantly. It saves the time otherwise lost in note-taking — frees the stenographers for other useful work. It eliminates costly transcription errors.

The girls in your office will like Dictaphone. It enables them to carry on their work in an orderly manner without interruptions, frees them from overtime and makes them more valued members of your organization. Especially will they be delighted with Dictaphone's Nuphonic Reproduction which sets a new standard of voice clarity.

Let us send you facts about the substantial savings which Dictaphone equipment has effected in scores of offices. Telephone or write for information.

DICTAPHONE SALES
CORPORATION LIMITED
86 Richmond Street West,
Toronto
Sales and Service Offices from Coast to Coast

DICTAPHONE

Your Will and Your Estate
Last Will and Testament
RK

Expense and Confusion Result From Intestacy

Unnecessary Hardships for Dependents May Follow Failure to Make a Will — Canadian Law Compels Distribution on Fixed Basis

Your will is the voice by which you may speak when your own voice can be no longer heard.

It is a voice which can advise, guide, protect and sustain your dependents. It can carry on works of charity, reward faithful servants and provide for deserving relatives. It must, however, speak wisely for its final edicts, after death, are irrevocable.

Disposal of an estate by will not only requires careful planning of its eventual distribution but equal care and judgment in selecting as executors and administrators those who will be charged with carrying out the provisions set forth by the testator.

The reasons for making a will are the penalties, possible financial loss, delays, confusion and sometimes inequitable results of not doing so.

Failure to provide for the welfare of dependents by a will does not necessarily mean financial loss, since the law then assumes the task of distributing the estate.

The courts, however, are subject to well defined restrictions and intestate succession, or the passing of an estate without a will, may mean forced liquidation of assets, inequitable distribution of the estate among the widow, children and other relatives, full control of their inheritance by children on reaching the age of 21, exclusion of deserving relatives, friends or institutions and legal delays which can be both costly and troublesome during the settlement of the estate.

Intestate Succession

To forego the privilege of distributing an estate, large or small, is to compel dependents to subject themselves to processes of law which may be totalling unsuited to their needs and circumstances.

Canadian provincial legislatures have fixed the bases on which intestate estates are divided and distributed. The law is arbitrary and, therefore, often necessarily unfair, limited as it is to the tables of intestate succession in the various provinces. These vary in different provinces but are all based on the same principle that where no will exists an estate passes to relatives or the Crown by a set formula.

Children Share Equally

Welfare of children in cases of intestate succession is another important reason why a will is necessary regardless of the size of the estate. Crippled or invalid children receive no special consideration from the law affecting intestacy. They share equally with more fortunate brothers and sisters although the latter are equipped to fight the battle for existence without handicap. It is essential, therefore, that special provision for such children be provided by will.

Inheritance without restriction by sons and daughters on reaching the age of 21 is another result of intestate succession which holds the germ of disaster. Without experience in business, investment or speculation, inheritance by young men and women of 21 may quickly dissipate an estate. There are circumstances in which a family business or other form of estate may be safely left to heirs at 21 but these are the exceptions.

The solution lies in a will in which only income from securities or real estate is available to young men and women until age, experience and discretion are attained.

Forced Liquidation

Apart from the ability or otherwise of young heirs to manage their affairs and conserve estate assets, it is not always possible in cases of intestacy to retain assets which are frequently subject to forced liquidation at a return far below their potential value.

Estate administrators have no power in intestacies to retain assets in the hope of increased value nor have they other discretionary powers which can be invested in executors by the terms of a will. The legal restrictions and responsibilities imposed on estate administrators in intestate succession are strict, particularly where infants are involved and it is not always possible to act to meet conditions affecting minors in a way which the testator, alive, would have done.

A will, with moderate discretionary powers enabling executors and administrators to postpone liquidation is advisable to meet these conditions, particularly where securities and real estate are concerned during periods of fluctuating market values and business conditions. Forced sales of securities in a depression period can be particularly damaging to the value of an estate and many a Canadian estate has dwindled to negligible proportions through the necessary sale of securities since 1929.

Revise Old Wills

The act of making a will, solemn as it is, it not an irrevocable step. Failure to revise old wills may not only create serious hardships for those whom the testator desires shall benefit but the changing affairs of the testator, changes in value of estate assets, in the earning power of dependents and for other reasons make it imperative to periodically reconsider the terms of a will and where necessary alter them to meet new circumstances.

Neither the unwritten will nor the will which no longer meets the requirements of the situation is effective as an instrument of the testator's original intentions. To die without a will or to fail to revise old wills are no less serious for dependents than failure to provide adequate insurance protection during life.

Dangerous Wills

Amateur, home-made and so-called "model" wills are worse than useless. The head of a Canadian trust company, long familiar with the pitfalls of improperly drawn wills, tells the story of an elderly woman of his acquaintance.

During her life-time she invariably consulted him on even the least important matters affecting her investments. Her financial affairs were entrusted almost entirely to his judgment.

Not so her will however. It was written in beautiful script by a young man without legal training but with a flare for legal phraseology.

There were ten clauses in the "will" and each had to be submitted to a court for interpretation after her death. Her small estate incurred an expense of several hundred dollars which might have been avoided.

Preliminary steps in making a will are simple once the nature of the estate and the principle of its disposal have been decided upon. The actual drawing of a will, to be discussed in the next article of this series, is a more complicated matter, calling for consultation with experts, a competent lawyer, trust company, or other informed source. These essential features will be considered in subsequent articles.

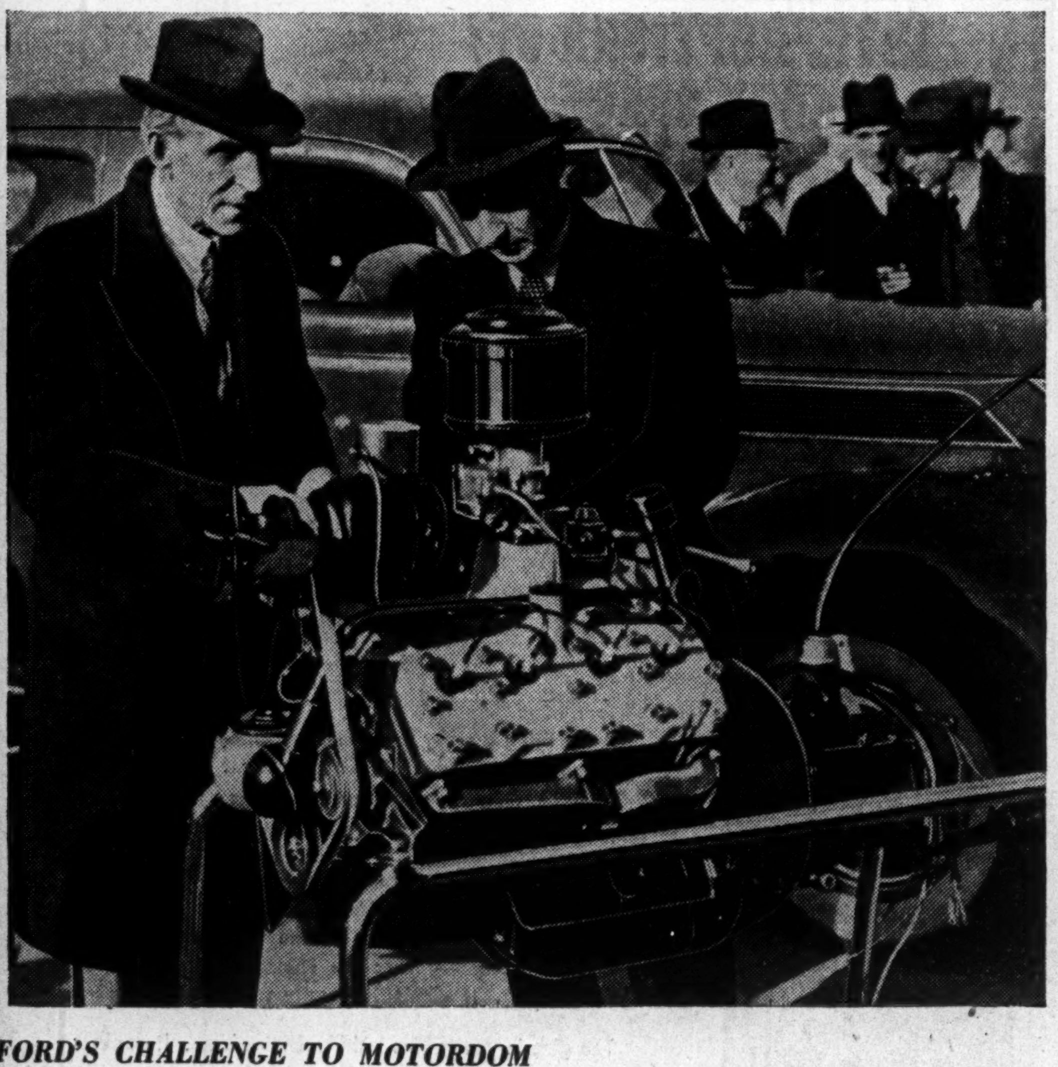
Consult Your Lawyer Or a Trust Company

To make a will is not only the action of a prudent man or woman, but it is a safeguard against the delays, expense and possible loss arising from intestate death.

In this and subsequent articles, The Financial Post will endeavor to point out the salient features to be considered in making a will and in disposal and administration of an estate.

The series is not, however, to be regarded as a substitute for legal and financial advice on points of detail which vary with every will and every estate. A broad, general review of the principles involved, prepared in non-technical language, is the object of the series.

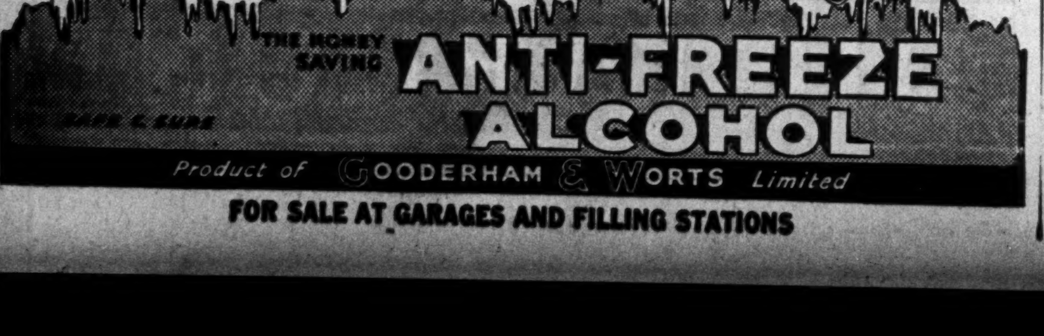
No will should be drawn, and no disposal made of an estate by will without consultation with legal advisers, trust company officials or others whose professional qualifications enable them to advise the best method of adapting sound principles to the requirements of individual circumstances.



FORD'S CHALLENGE TO MOTORDOM

Major automotive announcement of the week is the new Ford economy engine, rated at 60 h.p. (22 h.p. in Great Britain and overseas) compared with the 85 h.p. rating of the big V-8 engine.

The upper photo shows Henry and Edsel Ford looking at the new power plant which will be available as an alternative in the new 1937 cars. The body and chassis will be the same in each case but purchasers will have the opportunity to buy either "maximum performance" in the large motor — or "maximum economy" in the small motor. An increase in mileage of about 25% is reported unofficially for the new motor.



Product of GOODERHAM & WORTS Limited
FOR SALE AT GARAGES AND FILLING STATIONS

Saint John Port Activity Shows Decline in October

From Our Own Correspondent

MONTREAL. — Traffic handled through the port of Saint John last month was on a smaller scale than a year ago. Imports amounted to 40,109 tons and exports 32,660 tons, for an aggregate of 72,769 tons. In October, 1935, the port handled 81,575 tons, of which imports totalled 44,082 and exports 37,491 tons.

For the period from January to October this year, nearly 1.4 million tons were handled, made up of 548,245 tons of imports and 833,536 tons of exports. This is in contrast with 502,629 tons of imports and 690,504 tons of exports, or a total of nearly 1.2 million tons, for the same period last year.

PREPARE FOR 1937 —

Business executives are already discussing and reviewing plans for 1937. To take advantage of all the apparent opportunities of the New Year a strong liquid position is desirable and essential.

Many companies which have accumulated a substantial amount of long-term paper have already arranged for liquidation of same through I. A. C. facilities.

I. A. C. Plans not only increase the earning capacity of each of your Capital dollars by an accelerated turn-over, but they relieve you of the costly and troublesome detail of handling your own collections.

As specialists in the handling of instalment plan contracts our collection policy is both effective and tactful, credit-investigation service prompt and thorough, and other services and safeguards are provided which can only be procured through utilizing the facilities of a company whose sole business is in financing deferred payment paper.

• • •

INDUSTRIAL ACCEPTANCE CORPORATION
LIMITED

HALIFAX
SAINT JOHN
QUEBEC

MONTREAL
OTTAWA
KINGSTON

TORONTO
SUDBURY
HAMILTON

LONDON
CHATHAM
WINDSOR

WINNIPEG
REGINA
SASKATOON

CALGARY
EDMONTON
VANCOUVER

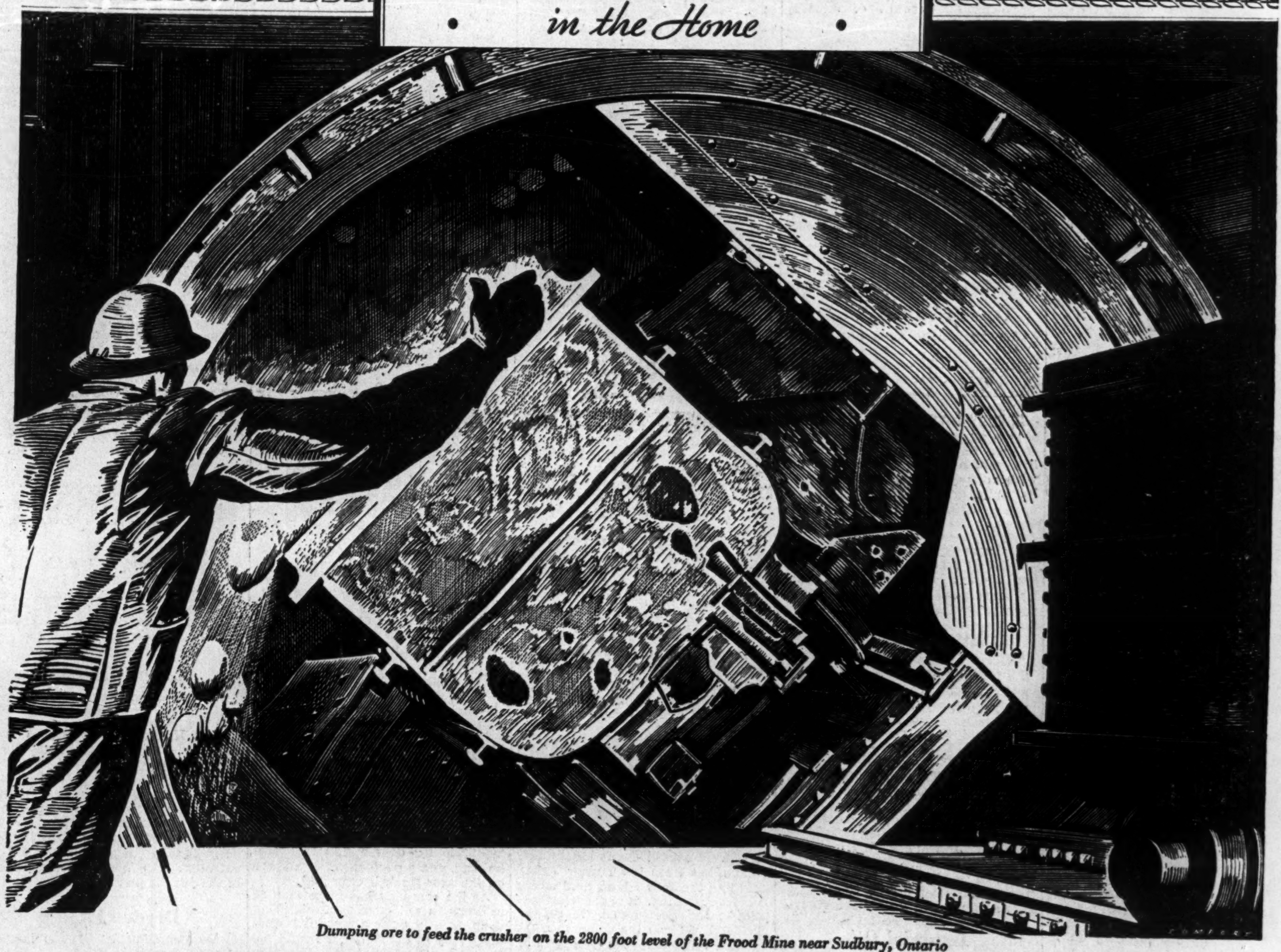
A NATIONAL SERVICE ● A CANADIAN COMPANY

E. B. Eddy Co. Assessment Fixed at $4 Millions

Property owners of Hull, Que., have approved a by-law granting a fixed assessment of $4 millions for ten years from May 1, 1936, to the E. B. Eddy Co.

Excluding water taxes and school taxes, the company will pay about $84,000 annually in municipal taxes under the new fixed assessment.

CANADIAN NICKEL
in the Home


Dumping ore to feed the crusher on the 2800 foot level of the Frood Mine near Sudbury, Ontario

● TRAINLOADS OF NICKEL ORE FOR INDUSTRY ...
... AND FOR YOUR KITCHEN SINK

World industry needs Canadian Nickel . . . . . Nickel needs world markets

SUPPOSE FOR A MOMENT that the great Nickel deposits in the Sudbury basin suddenly became exhausted. What a calamity it would be for Canada! Eight thousand Canadian employees of the Nickel Company alone would be thrown out of employment. The great concentrating and smelting plants near Sudbury would be silent, and the huge Nickel refinery at Port Colborne would be closed. The town of Sudbury would be deserted. Canada's lumbering, agricultural and manufacturing industries would lose a valuable market for their products. Thousands would be dropped from the payrolls of Canadian industries; and the value of Canada's exports would show serious decline. Scientists, metallurgists and steel makers would immediately start their search for a substitute for Nickel. A valuable source of revenue from the markets of the world would be lost to Canada forever.

But there is no prospect of the Sudbury ore deposits becoming exhausted. Ore reserves are sufficient for 100 years or more, and no one yet knows what deposits still lie deep beneath the earth's surface in the Sudbury district.

The world needs Canada's Nickel — for its automobiles, railroads and tractors; for its bridges and hospitals and homes. And Canada needs the world's Nickel markets. For Nickel, even when mined, smelted and refined, brings no money to Canada until it is sold.

So our research and sales departments will still continue to seek and develop new uses for Nickel in industry and homes the world over. For products made from Nickel and Nickel alloys are better products.

Write for your free copy of "The Story of Nickel" an interesting booklet dealing with the history and development of Nickel.

● The Monel Metal Sink has a silvery lustre that time cannot dim. It is solid metal, chip-proof and crack-proof. Its resiliency lessens dish breakage and in the average home it should last a life-time.

INCO NICKEL
INCO MONEL METAL

THE INTERNATIONAL NICKEL COMPANY OF CANADA LIMITED
25 KING STREET WEST, TORONTO

THE FINANCIAL POST

SECOND SECTION

Vol. XXX Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, NOVEMBER 14, 1936 10c a Copy; $5.00 a Year No. 46

Find Interest Mounting In Improvement Loans

Branch Bankers Getting Many Enquiries From Home Owners—Expect Spring Rush

Public interest in the new Government-backed home modernization loans is steadily accumulating, a special survey of city and town branch banks, by The Financial Post, reveals. There have been no line-ups of loan applicants and no hiring of extra stenographers to answer enquiries but not a single banker of the score interviewed reported a lack of questioning. The plan came into general operation on Nov. 1.

Even in small Ontario centres such as Georgetown, Brampton and Acton, nearly every branch bank has already an application or two for a definite loan, while in larger, Kitchener, Guelph and Galt, several managers have had four or five applications. But the bankers are not anticipating any great rush, at least not until spring. They point out that the time has passed for any big expansion in house repairs this season.

Too Late For Fall Repairs

With their furnaces lighted and their housecleaning finished home owners are loath to upset the "even tenor of their ways" until dust mops are brought out again next March or April. Landlords, too, with new tenants installed and leases signed, are reluctant to empty quarters until the natural time for moving again next May. Monthly repayments now, it is added would seriously deplete savings for Christmas shopping.

In predicting this spring peak for loans, the bankers are backed by the experience with a similar policy in United States. There the modernization scheme got under way in August, 1934, and while there was considerable activity the first fall, not until the following spring did volume really get into its stride.

November, eventually turned out to be one of the biggest months, but only after the public had become fully acquainted with the new policy. The most active season for the loans, in point of total money loaned, however, proved to be the early spring months, as the following table covering the past year indicates:

U. S. MODERNIZATION LOANS

	Monthly No.	$
1935:		
Oct.	81,251	27,163,130
Nov.	93,712	31,051,675
Dec.	86,026	28,141,069
1936:		
Jan.	82,273	26,337,862
Feb.	55,028	17,521,022
Mar.	82,673	28,627,748
April	89,259	39,052,131
May	39,347	17,174,803
June	29,438	13,089,392
July	31,895	14,457,062
Aug.	33,849	14,936,608
Sept.	43,789	19,394,303
*Total to Sept., 1936	1,195,956	444,670,660

*Including Aug., 1934 to Sept., 1935, not shown in detail.

But interest in the new Canadian scheme is growing. Bank customers are dropping in for more information. Once a few owners start actual improvements under the scheme, it is expected that others will see, become convinced and quickly follow the example.

Some Banks Push Plan

So far preparations are not advanced very far. While some banks where "head office" has been relatively favorable to the loan idea have already issued explanatory circulars, and have published paid advertising, others have adopted a waiting policy. Branch managers of the latter, in some instances, are not yet familiar with the terms of the proposed legislation. But even these are interested, and pressure from their aggressive rivals is almost certain to bring them into action whether favorable to the idea or not. Offsetting these cautious individuals The Post found that some managers were definitely pushing the scheme, even going so far as to interview contractors, big landlord type customers and to address special meetings called to explain and promote the loans.

Too Early For Estimates

Definite estimates as to the probable amount that will be loaned at this time are impossible. With only a few loans at each bank only a guess can be made as to average size. Some of them are for as low as $50; others range up to $1,500. The most common figure mentioned by the banks in the smaller towns was $400. But even two or three loans of this size for every one of the 3,400 branch banks in the Dominion would run up a total of almost $3.5 millions for the first two weeks of the new scheme.

Small city and town branch bank managers refute the idea that the borrower is not interested in the rate of interest. Finance company officials have intimated the average borrower is only concerned about the amount of money he has to repay each month; that the actual rate of interest is seldom figured out.

But the potential customers according to the local bank managers, are familiar with discount rates. They know instantly that the 3.25% discount for the new loans means $3.25 deducted from every $100 borrowed, before the money is handed over, and the repayment of the entire $100 on a monthly basis. The total transaction, they soon determine involves an actual interest rate of 6.32% per annum on a 12 month loan.

Some Mortgage Money Cheaper

Some of them have already figured out that the interest rate on the loans is actually higher than the prevailing first mortgage rate in some districts. At least one case was mentioned where the potential borrower decided he would raise his improvement money by a straight 5½% lien against his property. If many home owners follow this example naturally it will mean less direct volume for the new improvement loans, but no less in the actual money spent on modernization.

How Will Money Be Spent?

How is the money going to be spent?

Again it is too early to make more than a guess. Most bankers stressed painting and other decorating, pointing out that with these low cost loans some customers were now going to do over the whole house instead of a room or two a year as originally planned. The new scheme of financing would spread the payments over several years while all the muss would be over in one operation. New floors were also mentioned as one of the jobs planned, and eavestroughing.

Alterations to change large old-fashioned houses into modern duplexes and apartments appears to be popular in small city modernization plans. Most of these centres contain a large number of these big houses still in good residential locations.

Plumbing

A fair proportion of this new money will be going into new bathrooms and other plumbing. In the towns, at least there are still a considerable number of residences without bathrooms. One hitch to expenditure here was unearthed in a small town surveyed by The Post.

Like thousands of similar centres all over Canada, this one is largely populated by retired people. Such are living usually on a very modest income, and one which may shrink but has little opportunity of increasing. New expenditures outside of the carefully planned budget are generally impossible. The new loans will be of little assistance unless some sudden windfall occurs.

But there comes the question of taxes. It is not expected that there will be increased taxes on the improvements, because most of the municipalities are expected to cooperate in ensuring against increased assessments following renovation. But taxes may be incurred through extending water mains or sewage drains along a street where the new bathroom is being installed.

U. S. Breakdown

Again turning to the United States experience, one gets some indication of how the money is going to be spent in Canada. A breakdown based on 12,000 loans shows the following:

TYPE OF WORK

Type of Work:	Loans Number	Amount
Plumbing & heating	23.3%	31.4%
Equipment	25.5	22.6
Carpentry & masonry	17.0	16.3
Roofing	12.4	12.8
Painting and interior decorating	15.5	10.7
Miscellaneous	6.3	6.2

Exploring the United States picture still further one finds that 70% of all the money loaned went into improvements on residential property with about 14% for retail stores. In detail, percentages are as follows:

PROPERTY IMPROVED

	Alterations or repairs %	Equipment %	Total %
Single residential	33.9	19.7	53.6
Multiple residential	10.6	6.6	17.2
Retail store & serv. trades	5.7	8.0	13.7
Commercial other than retail	2.1	2.1	4.2
Farm property*	2.3	1.4	3.7
Industrial & manufac.	1.2	2.5	3.7
Institutional	.6	.3	.9
All other property**	1.3	1.7	3.0

*Inclusive of commercial farm property.

**Including professional offices in dwellings, private garages, etc.

In Canada there is already some agitation for extending the loan policy to cover commercial property such as retail stores and apartment houses. So far, The Post understands, Government authorities are dubious in regard to unattached store property and large apartments. In the matter of small apartments, duplexes, etc., and single or double apartments with stores attached, the policy covers them now.

Barns Now Included

One type not covered until this week, however, was the farm building. On its recent survey The Post heard four out of every five bankers interviewed express the hope that this sort of property would be included.

Farmers, it was stated, want money to dig wells, and to finance new barn and stable equipment. Farmers within 100 miles of such big centres as Vancouver, Winnipeg, Toronto and Montreal are steadily going into dairying, but before they can ship whole milk to the cities, in most cases they have to make extensive improvements to stables and barns. New walls, ceilings, floors must be installed. New stalls, mangers, drinking bowls, pumps and storage tanks, and probably milking machines will be purchased. Some extensions may be made to the main buildings.

Dairy farming would give these farmers a monthly income, and therefore the opportunity of monthly loan repayments. Though loans on farm property in the States were relatively small, in Canada it is pointed out, the proportion of the rural to urban population is very much larger. The extension of the new policy to cover this barn and stable repairing is, therefore, expected to result in considerable volume of business.

Banks Lead in U. S. Loans

So far in Canada loans are being made almost entirely by the chartered banks, though other institutions such as the finance companies, the trust and loan companies, and possibly large retail firms interested in selling house equipment or installations, will probably be included eventually. Just how the various lending agencies in the United States have divided this business is indicated as follows:

U. S. LENDING

	No.	Amount*	%
National banks	493,527	189,306	42.57
State banks & trust cos.	288,049	116,786	26.26
Finance companies	323,184	105,994	23.84
Industrial banks	74,573	24,946	5.61
Bldg. & loan assns.	6,884	3,789	.85
Savings banks	8,761	3,323	.75
All others	978	522	.12
Totals	1,195,956	444,670	100.00

*($ 000's omitted).

Disclosure of Secret Company Reserves May Bring New Drive for Unpaid Taxes

Essential to Sound Business Practice, Says Dr. A. O. Dawson

BANKS HAVE THEM

Is the $2,227,000 "secret" inventory reserve of Canadian Cottons Ltd. a means of tax-dodging and misleading the government and shareholders?

Or is it sound business practice in the form of insurance against violently fluctuating cotton prices from year to year and sudden swings from profits to losses?

Officials of the company deny the so-called "secret" reserves were ever hidden from the government for tax purposes, but admit they did not appear in published balance sheets, although their existence—but not their amount — was revealed at shareholders' annual meetings.

The answer is being sought by the Royal Commission presided over by Hon. Mr. Justice Turgeon, enquiring into these and other aspects of the Canadian textile industry. The matter of "hidden reserves" meanwhile has caught the attention of Canadian industry.

Ottawa authorities are handling the situation with caution, since it may involve confidential income tax data, the profit and loss statements and balance sheets of companies over periods of years and the whole question of business tax returns. Income tax officials are stated, however, to have filed a claim against Canadian Cottons for $221,487 and interest of $161,814 as a result of the inventory disclosures.

Ottawa to Probe

Mr. Justice Turgeon ordered the evidence bearing on Canadian Cottons undisclosed assets to be sent to taxing authorities at Ottawa.

"All the banks have them," declared Dr. A. O. Dawson, president of Canadian Cottons, in effect, during his evidence before the commission when the reserves came to light.

To which, J. C. McRuer, K.C., counsel for the commission retorted that "There may be some practices in the banks which require looking into."

Dr. Dawson is also president of Belding-Corticelli Ltd. He testified that it too has an inventory reserve, "Whether you call it secret or not." Dominion Woollens and Worsteds, of which Dr. Dawson is also president has no such reserve because to Dr. Dawson's regret, "They never could afford it."

Hedge Against Prices

Dr. Dawson defends the creation of undisclosed inventory reserves in the case of Canadian Cottons on the ground that over a period of years the earnings of the company would be subject to volent fluctuations if there were no special reserve to hedge against widely fluctuating prices of raw materials.

G. Blair Gordon, managing director of Dominion Textiles Co. Ltd., called to the stand at the Turgeon enquiry, also admitted his company has a reserve undisclosed to the public. A reserve was set up in 1933, amounting to $1 million against investment account, and shown as a straight deduction from surplus. There is a reserve of a similar amount for raw cotton.

Mr. Gordon emphasized in his evidence, however, that the taxing authorities of the Dominion had seen the reserve, knew of its existence and that consequently no secrecy existed for tax purposes.

Claims Overdue Taxes

From a taxation standpoint also, the Canadian Cottons disclosures are being followed in rapid succession by moves to collect any overdue imposts.

"If my computation is correct," said J. C. McRuer to Dr. Dawson at this week's sitting of the commission, "you owe the government between $750,000 and $1 million."

The wider implication of the Canadian Cottons' evidence is whether or not Canadian company shareholders should be fully informed as to the financial position of their companies. The extent to which they should be admitted to the management's confidence is a moot question, often discussed by directors, but the weight of opinion apparently is that the advantages of keeping shareholders informed as to the existence of special reserves, if not the actual amount, outweigh the disadvantages.

Full Disclosure Dangerous

Supporters of this view believe unwarranted pessimism, loss through the sale of a company's securities at unjustifiably low prices and possible impairment of a company's credit standing can be avoided by frank disclosure to shareholders of its position.

On the other hand, abnormally high earnings in years of prosperity can give shareholders a false conception of the company's earning power, raise its shares to price levels out of all proportion to actual earning power and equities, and pave the way for a disastrous reaction.

Many directors consequently believe it is unwise to disclose the exact position of a company but instead to show in profit and loss and balance sheets only those figures which serve to maintain the company's position on a more or less even keel. Such a practice bridges the gap between periods of prosperity, through withdrawal of accumulated reserves, it is held, and permits operation of plants, without profit but providing employment for workers who would otherwise be on relief.

Dr. Dawson cites these factors in his evidence before the commission and denies that any attempt was made to dodge taxes. His sole purpose, he asserts, was to maintain a strong reserve position "against the evil day."

Canadian Cottons common stock of $100 par, sold as high as $55 a share in August of this year, after rising from a low of $48 in April. Trading in the shares at Montreal has not been on a large scale

Whole Thought Was to Keep Company Strong—Dawson

The following are excerpts from the stenographic report of evidence given by Dr. A. O. Dawson under examination by J. C. McRuer, K.C., counsel for the Turgeon Royal Commission examining conditions in the textile industry:

Q—Do you think it was fair to the shareholders of the company to publish a balance sheet that did not disclose $2,277,208 worth of assets?

A—I certainly do. ......

Q—You think it was quite fair to conceal from the shareholders the fact that the company had over $2,770,000 worth of assets that belonged to the shareholders and the shareholders did not know about them?

A—It was not concealed. They knew if they attended any meetings ......

Q—But how would a shareholder who got that balance sheet know?

A—Of course, he would have to attend the meeting.

Q—Was it told at the meeting?

A—It was told time and again we had an undisclosed reserve. The amount we did not reveal because that was continuously changed and the reserve you might have today might not be the reserve you might have tomorrow. It was in the interest of the shareholders we were keeping that reserve there.

Q—When I was trying to get the profits this company had made over a period of years you did not tell me it had made $2,277,000 more profit than was disclosed in the profit and loss account, in the balance sheet, did you?

A—That profit was made many years ago. That was carried as a reserve. In other words our reserve was less when we closed our books on March 31 last, than it had been some 16 years ago.

"Profit" of $550,000

Q—Let us come to the 1935 statement and see if what you say is true or not . . . In that year the profit—here is the language that is used, "Profits from operations after providing for bad debts and depreciation, $700,000, but before bond interest and government taxes $150,287.59." That is stated to be the profit for that year after making those provisions. You transferred to the inventory reserve that year $400,000 which shows a profit in the year ending March 31, 1935, of $550,000 instead of $150,000. That is correct is it not?

A—Mr. Brown (of Ritchie, Brown and Co., auditors for Canadian Cottons Ltd.) is here now and perhaps he could answer that question better than I could.

Q—You have certified to this balance sheet. It is marked "Approved —A. O. Dawson."

A—I don't know about the changes that are made from year to year. I do know that it is an inventory reserve we have. As to the comparison of that particular statement with regard to the year before I cannot speak definitely......

Q—Your profits that year amounted to $400,000 more than was shown in the balance sheet. That is correct, is it not?

A—I don't know that. I will have to have it compared with the previous year. I don't know how the inventory changed in that period. I do not attempt to keep this in my mind.

Q—Your inventory reserve increased by $400,000 and the only way you could increase your inventory reserve would be out of profits, wouldn't it?

A—I don't know that.......

Defends Strong Reserve

Q—Do you think it is fair to the people of Canada that a company that has enjoyed the protection this company has had in the last five years should publish a balance sheet that does not show its true profits?

A—I want to say, Mr. McRuer, in my opinion in the interests of the shareholders, in the interest of the employees, in the interest of the country as a whole it is wise for any business to keep itself strong and to keep a good reserve against the evil day.

Q—I have no objection to you keeping a reserve but I do have an objection to you concealing it from the people; having a concealed reserve as you call it.

A—It is a very wise thing to have that undisclosed reserve because it is changing continuously. That is my opinion.

Q—Did you disclose that $400,000 to the income tax department?

A—The income tax department takes care of itself in that when the reserves come into cash, into profits, they get their full returns.

Q—There is $2,277,000 here that has not been disclosed then, we may take it, to the proper taxing authorities?

A—I think, my lord, (addressing Mr. Justice Turgeon) if you will put Mr. Brown in the box—I asked him that very question......and he advised me that had these profits in inventory been put into the statement year by year, the company would have been better off than it is today. In other words, the government did not lose a copper by it.

Mr. Justice Turgeon—The government did not what?

A—The government made a profit by the way in the method the business was handled by keeping this reserve against losses, unforeseen losses. I might say, in one year alone, by way of showing the necessity and value of keeping an undisclosed reserve, because of the reduction in cotton in one year we lost, that inventory reserve went down by over a million dollars.

Must Show "Real" Profits

Q—(Mr. McRuer) You know the government expects you to show your real profits and what you actually transfer to reserve. You know that do you not?

A—Well, I don't know.

Q—You don't know?

A—I know we tell them we have made a reserve from year to year and that in the main, taking it over the years, that the statements submitted to them are correct. Certainly we have not thought at any time of taking any advantage over the government we do not deserve. Our whole thought was to keep the company strong and to provide against unforseen losses that always arise in any business. I have known too many businesses that have been wrecked......

Q—By telling the truth as to their condition?

A—No, by not having a reserve that could be drawn on in times of distress.

Q—I am not quarrelling with your reserve to be drawn on in times of distress. Have all the reserves you want but what I do quarrel with is that you should conceal from the shareholders the true assets of the company and that you should conceal from the government the true profits.......

A—If the shareholders' interests were suffering by doing that sort of thing, or the government was suffering by it, that might be so, but they don't and my belief is that shareholders' interests are preserved as are the operatives by keeping a strong balance and what you might call an undisclosed reserve. The banks all have it.

Banks' Secret Reserves

Q—I am not investigating the banks at the moment. I am only investigating your company. Do you suggest that there are practices in the banks of keeping undisclosed reserves and undisclosed profits hidden away?

A—They always do.

Q—They do not disclose them to the government? You say that?

A—No, not to the government. They are always to their benefit in the balance sheet.

Q—Well, there may be some practices in the banks which require looking into.

A—Unforeseen losses.

At a later stage of examination:

Q—You are also a director of Belding-Corticelli?

A—Yes.

Q—Has Belding-Corticelli got a secret reserve?

A—They have an inventory reserve whether you call it secret or not.

Q—Oh, they have. How much is their inventory reserve?

A—I cannot recall. I know it is quite a substantial amount.

Q—You are president of the Dominion Woollens and Worsteds?

A—Yes.

Q—Has it got a secret inventory reserve?

A—I am sorry, they never could afford it. They never have been able to build up such a reserve much to my regret.

Q—What other textile companies are you a director of or an officer of?

A—Not any other that I can recall at the moment.

Still later in the examination:

Growth of Reserves

Q—Your accountant has just given me the details of this (inventory) reserve. This is the balance, is it, Mr. Brown, at the credit of the reserve at each year?

Mr. Brown—Yes, the fiscal year.

Q—(Mr. McRuer)—Each fiscal year, and it commences in 1916.

1916—$379,139.
1917—$823,533.
1918—$1,301,061.
1919—$1,590,852.
1920—$2,312,767.
1921—$690,307.......That is the year when you said you made the big loss on inventory?

A—Yes.

Q—We have had that from other companies as well.

1922—$891,831.
1923—$1,368,424.
1924—$1,265,863.
1925—$1,429,960.
1926—$2,506,128. .... Apparently between the years 1925 and 1926 you added $1,100,000 to the inventory reserve.

A—Yes, built up our reserve.

Influence on Tariff?

At a still later stage, Mr. McRuer asked—

Q—If you had disclosed that you made $1,600,000 profit in the fiscal year ended March 31, 1926, to the government do you think it would not have affected the tariff application that was before the Tariff Board in 1927?

A—If it did it might have been very bad for the industry and the country too. Stability is the thing we are after.

Q—You think that people are not entitled to the truth, that you must judge whether it is wise for them to have the truth or not?

A—I think if you are systematic in your statements, in making your financial statements on a conservative basis, end on the same basis from year to year throughout the years, I think that is fair to everybody.......

Q—Have you other hidden reserve and real estate values that we don't know about now?

A—We may have, I don't know. We take the cost of our plant, machinery and buildings at what they originally cost us and then we build up the reserve to reduce that to what we think is fair.

After examining Dr. Dawson regarding the company's operations after the passage of Special War Revenue legislation in 1916, Mr. McRuer asked:

Q—Now were the reserves that were built up in a period of five years from nothing to $2,312,000 disclosed to the proper taxing authorities who would levy the Special War Tax Revenue against them?

A—Well, the books were examined by the representatives of the government.

Q—I am not saying that. They might examine your books and never find this?

A—No, they certainly could find it.

Q—It would take some difficulty in the examination of the books just to find it unless they sent in a special auditor who had some inkling of it to check it up. That is right, isn't it?

Book Open to Inspectors

A—That is what the government appointed the men for. Certainly the books were handed to them. There was nothing concealed.

Q—You say you think you can hand your annual statements to the government and say "There you are now; there is the condition of the company. You may go and look at our books and if you find we are not telling the truth all right, and if you don't find we are not telling the truth, that is all to the good." Is that your attitude to the government officials?

A—We say we are telling the truth.

Further questioning followed and Mr. McRuer later asked:

Q—Will you tell me whether you did pay income tax on the true profits of the company and war revenue tax on the true profits of the company in those years?

A—It would be paid on the result shown by the balance sheet.

Inventory Reserves

Referring later in the examination to inventory reserves Mr. McRuer said:

Q—The question at the moment is not as to the wisdom of having these reserves. Is it: Why not make it known?

A—We thought, wisely or unwisely, that that was the wise thing to do.

Q—Not to let the government know?

A—It was available to the government. The books were inspected regularly and we took inventory on the same basis each year.

Q—You have said just now that the taxes to the government were paid on the basis of these statements which did not disclose these profits hidden away in these reserves.

A—But the inventory was taken in a uniform way. We take our list prices, our selling prices, and then we take an arbitrary discount off the selling price and take an inventory on that basis. As the inventory (value) went up our hidden reserves increased. As the inventory went down it was revealed.

Q—It was revealed?

A—It was revealed in the profits.

Q—You do not suggest that this reserve was ever revealed?

A—It is revealed because it comes into cash and goes into profits. For instance, on Sept. 30 when we took our list, I think our reserve inventory went down nearly $500,000. It depends upon the fluctuation of your inventory statement, your reserves in inventory.

Denies Owing Government

Q—Dr. Dawson, I am going to put this question to you. Do you not now acknowledge that you owe the government the war revenue tax on those profits that were made during the years the Special War Revenue Act was in force?

A—I do not.

Q—The income tax is one thing. The Special War Revenue law is another and there were three or four years in which you built up an inventory reserve at an average of $400,000 a year and there would be war revenue tax payable on that if you had disclosed it to the government, would there not?

A—Eventually, but it went to the government.

Q—No, it did not go to the government. It did nothing of the kind. It went to Canadian Cottons.

Ottawa Moves to Collect $383,000 from Canadian Cottons

TO CHECK UP OTHERS

From Our Own Correspondent

OTTAWA. — The income tax branch of the Dominion Government has assessed Canadian Cottons, Ltd. $221,487.60 for tax on undisclosed "inventory reserve" and an additional $161,814.74 interest, covering the period 1920 to 1936, it was stated by Charles B. Brown, auditor for the company, before the Turgeon textile commission.

This sum does not cover the business profits tax in the years 1916 to 1920 inclusive, Mr. Brown thought, nor penalties.

J. C. McRuer, commission counsel, told the commission that "if my computation is correct, you (Canadian Cottons Ltd.) owe the taxing authorities somewhere between $750,000 and $1,000,000."

The assessment of the income tax authorities was described as tentative, and subject to adjustment later.

Cursory study of the records has indicated the Income Tax branch of the National Revenue Department had no knowledge of the "hidden reserve" brought out by the Turgeon Royal Commission. Certainly it was not known to the present generation of officials. There is a possibility, which the department is seeking to clear up, that when the reserve was established it was with the knowledge of the commissioner of that day, the late R. W. Breadner.

Charles B. Brown, auditor of Canadian Cottons, Limited, testifying before the commission on November 3 at Montreal, asserted that when the inventory reserve was being created the matter was discussed with the income tax officials at Ottawa.

Later, when he said that he was not with the company in 1916, when the reserve was created, he was questioned by Mr. McRuer how he knew that.

He replied that he had come across papers and correspondence between the company and Mr. Breadner. Subsequent questioning by Mr. McRuer seemed to indicate, however, that this correspondence was in regard to the company being allowed additional and special discounts rather than in regard to the "secret" reserve under examination by the probe.

One aspect of the case is that in one or more years the company, because of reductions in its reserve, many have paid more income tax than it was called upon to do. The inventory reserve fell one year by more than a million dollars. It is presumed that the annual statement that year for this reason showed profits substantially greater than were actually earned, and if so, the company may be entitled to a substantial refund for that year. The same principle will apply to any years when the hidden reserve was drawn upon to improve the profit-and-loss position of the company.

The disclosure of Canadian Cotton, Ltd. "hidden reserve" has raised the question in the government's mind as to whether this practice is common among industrial firms, and there is a likelihood that the staff of the department will be strengthened, and that the existence or non-existence of similar reserves will be established as soon as possible.

Insists on Frankness

The department has always taken the stand that while it is willing to safeguard any company against the disclosure of its business status or methods to outsiders, or even to directors and investors in the company, it must insist on complete frankness to the government in regard to its earnings.

The department has no legal right to recognize the principle of "pooled earnings" over a period of years. The question of fairness of the present system may be raised, but so long as the existing statutes are on the books, it has no alternative but to administer the law to large and small on an equitable basis.

If a firm loses $50,000 this year, makes $100,000 profit the next, and loses $50,000 the year after, it is just where it started from, yet it must pay income tax on $100,000 the second year. (The British Government is said, incidentally, to make provision for a three-year average in such a case.)

May Reveal Record

In the past the department of national revenue has always declined to reveal tax information of private companies. Even when the momentous "Price Spreads" enquiry was held, the income tax branch was never asked to reveal the information it had obtained in confidence from companies.

This raises a difficult point which the government will have to settle if the Turgeon commission asks it to produce the records of Canadian Cottons, Ltd. for the last 20 years. The present inclination is to make the records available. If this decision stands, it will be on the ground that Canadian Cottons made itself liable to such divulging of secret information by its refusal to be frank with the government about its hidden reserves.

The government has to steer a very narrow course on the Canadian Cottons matter. On the one hand it has no desire to have businessmen or firms hounded because they are seeking to preserve the integrity of their companies, the welfare of their staffs and investors.

It is recognized that sometimes the sensible thing and the legal thing are not synonymous, and the business man may be tempted to do the former thing and violate the latter.

At the same time the issue is of such vital and profound importance in the whole business world that they cannot ignore it, or even fail to prosecute the matter vigorously, now that the information has come out. Such is the present view of the government on the matter.

How Was it "Hidden"?

The question is being asked—how was it the income tax officials were not aware of the "hidden reserve"? The answer appears to lie in the method in which it was maintained.

The evidence of Dr. A. O. Dawson on Nov. 2, makes it clear that the inventory was computed first on the basis of the list price. Then a percentage was deducted, leaving the inventory value as shown on the balance sheets. This inventory was accepted by income tax officials, who did not know the method by which it was computed. They merely saw the end result, and accepted it in good faith.

But according to the government's information, the percentage of deduction was not a fixed one, based on the current values of cloths and other articles, but was an arbitrary one to serve the purpose for which the hidden reserve was built up. In years when profits appeared to be exorbitantly large, and not likely to be repeated, the percentage could be quite large. In other years, when operations were otherwise likely to show a loss, the percentage deduction could be much smaller.

HEADS INSTITUTE

J. H. Lithgow, general manager of Manufacturers Life has been elected president of the newly-formed Life Insurance Institute of Canada

Other officers include J. G. Parker (Imperial) first vice-president; A. E. Pequegnat (Mutual of Canada), second vice-president; T. M. Sargant (North American Life), secretary and treasurer.

Canada Keeps Its Finger on New U.S. Moves

Operation of Social Laws to be Followed Closely

NO WATERWAY RUSH

From Our Own Correspondent

OTTAWA.—Major consequences of the Roosevelt victory in the United States in Dominion affairs are seen here as follows:

1. Growing stress on social legislation. Canadian workers will follow American progress closely in such matters as unemployment insurance, crop failure insurance, reduced hours of work and increased rates of pay, retirement allowances and pensions, etc. Agitation to keep abreast with U. S. developments may be anticipated as a matter of course.

2. Stabilization of tariff levels between the two countries at the present or somewhat lower rates. With the assurance of a continuity in tariff policies export and import interests will be inclined to show more attention to markets which in the past have been uncertain and often unprofitable.

3. Increase in total trade between the two countries until a level at least as great as that reached in 1928-29.

No Early Waterway Action

Minor developments are also expected. But there is no disposition in official circles to look for early action on the St. Lawrence waterway development scheme. On both sides of the border there are adverse political factors which mitigate the favorable attitude of the leaders, Mackenzie King and Roosevelt.

The monetary factor, it was noted, played little part in the American election, and the inflationists got nowhere. It is recognized that several factors making for inflation still exist in the United States, but it is not felt that these are any more potent than they would have been if Landon had been elected.

More Treaties in Offing

Progress is expected in the negotiation of a treaty regarding the tax on foreign investors, in the sockeye salmon controversy, and in some matters under the surveillance of the International Joint Commission. The "Good Neighbor" policy is expected to be more prominent than it was in the Roosevelt-Bennett days here. The fact that the Roosevelt-Mackenzie King régime appears to be assured for at least four years provides a basis for the building up of a new tradition of friendliness between the two countries.

Election Pleases B. C.

From Our Own Correspondent

VANCOUVER.—British Columbia business leaders interpreted Roosevelt's re-election as a victory for them as well as for the present incumbent of the White House.

Return of the Democrats to power made the trade agreement between Canada and the United States safe, for one thing. Governor Landon, the Republican candidate, had virtually pledged himself, especially in his Minneapolis speech, to make drastic amendments to or scrap altogether the reciprocal agreement—an act that would have meant important losses in British Columbia's export sales, especially in lumber. For that reason, business interests here, regarding the situation solely from the standpoint of their own pocketbooks rather than attempting to pass judgment on the domestic policies of the New Deal, favored the re-election of Roosevelt.

See More Branches Coming

Another likely sequel to the return of Roosevelt, it is believed here, will be the establishment of more branch factories in Canada by United States manufacturers. Recognizing the value of the Empire market and the probability that present tariffs will remain substantially unchanged, American interests, it is expected, will invest heavily in plant extensions in Canada so that they may be able to take advantage of the preference granted Canadian exports to the United Kingdom and Empire countries. The Australian market is rapidly growing in importance, and it is felt that British Columbia will share largely in any development of Canadian manufacturing designed to cater to that territory.

"The most important gain to Canada is the intangible one," remarked H. R. MacMillan, probably British Columbia's greatest individual exporter, who now ranks among the biggest ship charterers and lumber shippers in the world. "Roosevelt's re-election means a continuance of the good neighbor policy between Canada and the United States."

Basic Industries Boom

British Columbia expects to gain heavily from the trade agreement with the United States, just as she has done from the Empire agreements that found huge markets for her lumber, canned salmon, fruit and metals. The German agreement, only signed a few days ago, gives promise of more business for British Columbia, too—especially in lumber, copper, woodpulp and apples.

Sun Life May Get Paper Stock Block

From Our Own Correspondent

MONTREAL.—Sun Life Assurance Co. of Canada holdings of common stock in Consolidated Paper Corp. will treble if the proposed capital reorganization is carried out.

At the end of last year the company held $8¾ millions of Consolidated's bonds and 66,000 shares of common stock. The shares to be allotted the Sun Life under this new plan would total around 123,690, increasing holdings to 189,690 shares.

When Aberhart Dons Sunday Garb

When He Mixes His Meetings With Politics And Religion Alberta Premier Introduces Something New

From Our Own Correspondent

EDMONTON.—The premier of Alberta's most characteristic gesture comes at his Sunday services, when he mounts the pulpit and, sooner or later, thumps his fist on the Bible before him, and says: "I believe every word in this old Book."

Preaching For Years

Mr. Aberhart has been preaching the gospel from a prophetic viewpoint for 20 years or more, and frequently goes back 35 or 40 years in his testimony regarding the meaning of the Bible in his life. He has been advocating Social Credit only since he happened on the writings of Major C. H. Douglas in 1931—so his theology represents deeper convictions than his economics. His theological views color his approach to all other affairs, and explain how he came to regard the Douglas theory as an inspired revelation, accepting it in the same way as he accepts the Book of Revelation, as exact, literal and positive truth.

On only one or two Sundays since he became premier has Mr. Aberhart missed preaching, either at the Calgary Prophetic Bible Institute or at the Edmonton Prophetic Bible Conference, the latter being a development since he took up residence in the Alberta capital. He hopes to build for his flock of 1,000 persons or so in the northern city an institution equal to or finer than the $35,000 Calgary Institute.

Hon. E. C. Manning, youthful disciple of Mr. Aberhart and former secretary of the Calgary Institute, alternates with the premier between the two congregations, but his box office appeal is scarcely up to that of his leader, who attracts capacity crowds most Sundays.

Sermon Sometimes Eliminated

In combining politics and religion, and this frequently in one and the same Sunday discourse, Mr. Aberhart undoubtedly follows a rôle unique in Canadian public life. On occasion, discussion of his week-day policies crowd his sermon out of his service, which is thus sometimes devoted wholly to political announcements, charges and refutations. But ordinarily he provides plenty of robust and emphatic interpretations of the prophetic passages of the Bible, and bases on them plain warnings to the people not to delay their salvation too long.

Recently Mr. Aberhart has been engrossed, as far as politics and economics will allow, with studies in the Book of Revelation, his favorite Biblical book and one from which he derives much guidance in contemplating the events of modern times in predicting the future. His audience always contains a sprinkling of curious visitors who come in wonder at the mixing of politics and religion, and to witness in action the lay preacher who became premier of the world's one and only Social Credit Government.

Entering the theatre, one receives a hymn song sheet and may join in community singing of old, favorite hymns while waiting for Mr. Aberhart to speak. The singing is led by the president of the Edmonton Social Credit party. A grand piano provides a lead in the melody.

Mr. Aberhart occupies an arm chair which seems huge beside the wooden chairs for others on the platform, who include a soloist or two and probably a boys' band or similar musical group.

Watch in hand, Mr. Aberhart counts the seconds until the radio microphone comes to life, and then he takes charge. Behind the small wooden pulpit on the theatre's stage, he is an impressive, bulky figure. A stout man and unusually colorless of countenance, he reveals a benevolent cast of expression behind his glasses. He produces a big, white silk handkerchief at times and wipes his brow. His deep, tonal voice resounds through the theatre. He has a habit of pursing his lips, and in the excitement of a moment, may walk about, though for the most part the microphone forbids him to stray far. He appears to read almost every word be utters.

Hymn-singing is a main part of the service. Mr. Aberhart may warm up to the thought of a verse, expound it, and insist on the audience repeating it after him. He leads his followers along by rote.

Doesn't Overlook Radio

The publicity of the radio is not overlooked. Mr. Aberhart frequently repeats the station identification and invites letters. He dedicates hymns to listeners who have written in. Announcements are made by an assistant, possibly "Brother" Burket or "Brother" Hutchinson, of the Calgary Institute, and these include notices of the activities of Social Credit groups throughout the province.

Mr. Aberhart permits applause at his services, and, in fact, frequently invites it.

Turning to the Bible, his exposition of four or five verses ordinarily consumes 30 or 40 minutes. Since he allows no stone wall partition between his religious faith and his political views, his scriptural lesson may include a wide commentary on affairs in Alberta and elsewhere. His facility in quoting the Bible is remarkable, and it is safe to say he knows some Biblical books, such as the writings of Daniel, off by heart. He reads the Bible daily.

Followers Bring Bibles

One qualification of the faithful follower is to bring a Bible with him on Sunday, and Mr. Aberhart is likely to ask everyone to hold up his Bible to show he has brought it.

After the lesson comes the collection and acknowledgments over the air of contributions. Just how much money the prophetic service receives is never revealed, but the number of acknowledgments run from 15 to 30 each week. Mr. Aberhart is also the sponsor of a radio Sunday school, donations totalling from $15 to $20 or more being credited to this purpose, and a Bible Club, for which donations are also invited and received. The cost of the Edmonton conference, using theatre and radio, seems to be about $100 a month, judging from appeals made by Mr. Aberhart for money. He has also mentioned on occasion that expenses have not been met when he is away.

The radio is the chief instrument of Mr. Aberhart's evangelical activities, and he has been using it since 1926, which is the year Father Coughlin began to broadcast in the United States.

Rough on Critics

Mr. Aberhart makes clear his position in regard to critics of his views and methods. "Some call me dogmatic, positive and cocksure," he said on one occasion. Thumping his Bible, he said: "If this book is dogmatic, positive and cocksure, then it's O.K. with me." Another time he met complaints regarding his frequent appeals for money, by saying: "If any narrow-minded, bigotted grouches are listening in, they can shut me off if they want to."

In handling questions sent in by correspondents, the Social Credit Premier gets down to the business of defending his policies and his economics, for the majority of questions dealt with refer to these matters. A question might be, "What is the mark of the beast?", or "May a wife register for Social Credit if the husband is a Liberal?", or again, it might be "What is the meaning of the tomb in the pyramids?" or "Why don't you take your salary in scrip?"

Some of Mr. Aberhart's answers are straightforward enough, in which he cites Scripture to aid a listener or deliver common-sense advice. Once he advised a woman not to leave her husband. Other answers are in the class of that he gave to the question: "Where does the negro get his black skin?" "From the same place that the white man got his," said Mr. Aberhart. A favorite defense of scrip and Social Credit has been given many times, that they are bound to succeed because financial interests are opposing them.

Newspapers of Some Help

If there is still time after all questions and announcements, Mr. Aberhart continues with his formal sermon, of which a typical topic might be "The Coming Dark Day." His specialty is to take an apocalyptic passage and apply it to the present day. In this he frequently finds in the same newspapers he condemns frequently for "misrepresenting" him, details of news which confirm his own reading of the vision of Saint John or the prophecies of Isaiah or Daniel. His God is the vengeful deity of the Old Testament. His Hell is reserved for the sinners who are not born again. His scheme of things is the pattern of prophecy traced here and there through the Bible and worked out to support a literal second coming of Christ, and an imminent world catastrophe. Higher criticism is anathema to him, and he does not hesitate to hurl the epithet of "atheist" at other clergymen daring to challenge his interpretation in the light of science and modern research.

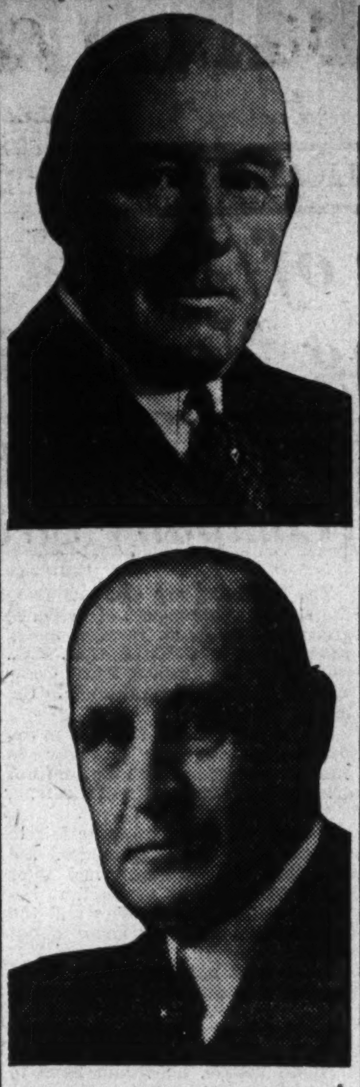
Mr. Aberhart's relations with established churches have never been good, despite avowed support for church-going he gives at times from his pulpit. He himself is a member of the Baptist Church, and a Baptist congregation worships in connection with the Calgary Institute.

On one occasion he declared modern churches had now reached the stage where they would soon become apostate churches of the dark days. Fifty per cent of their members were not Christian, he said. His Biblical interpretations appear shocking to trained theologians, and the force that he gives to them through his position as Premier no doubt causes dismay for many clergymen in Alberta.

In Mr. Aberhart's theological views lies the explanation why Social Credit in Alberta is not Douglas theory, but rather prophetic economics. In utilizing his pulpit for politico-economic discussion he has brought the element of emotional and religious controversy into Canadian public life, against which, as his success in capturing power shows, the Canadian democracy has yet found no defense.

May Fall Before Followers

It is against this theological background that Mr. Aberhart assumes his true significance, and from this background appears the reasons why the Social Credit movement in Alberta has been the work of one man alone, its leader. Even Mr. Manning appears a pale satellite of the master. And in this background may be seen reason why Mr. Aberhart may fall an easy prey to less idealistic followers working against him within his party.



NEW VICE-PRESIDENTS

Frank P. Wood (above), president of the Burlington Steel Co. Ltd., of Hamilton, and W. G. Morrow (below) have been elected vice-presidents of The Imperial Life Assurance Co. Mr. Morrow is also vice-president and managing director of Toronto Savings and Loan Co., of Peterborough.

LocomotiveCo. Results Better

No Income Likely, However, on Bonds—Need Heavy Orders

From Our Own Correspondent

KINGSTON. — Canadian Locomotive Co. is completing the most active year since 1931, but it is still doubtful whether an operating profit will be shown. After depreciation is charged, which has not been done since 1932, there will be no earnings on the first mortgage bonds on which interest is cumulative only if earned.

This year the company has completed orders for seven locomotives, the first in five years. Normally this would be one month's output. Prospects for further business of this type are somewhat uncertain but may develop eventually. The company has been expanding sales of mining machinery. This branch of the business is helpful in view of scarcity of heavy equipment orders, but does not produce major earnings. In addition, the company has been getting regular orders for heavy castings used in metal refineries.

Equipment Possibilities

The chief hope for better days for the company is that Canadian railways may find it essential to replace ageing locomotives. Depreciation of locomotives is believed to have been increased by the recent practice of running one engine over greater distances instead of changing locomotives. There are some 5,000 locomotives in Canada. Assuming that number is necessary, depreciation of only 2% annually would require replacements of 100.

The company has had no indication of orders for armament equipment. However, it was one of the first to make shells in Canada in the Great War. If British defense authorities are surveying Canadian plant possibilities, it is believed Canadian Locomotive would be one of the subjects of such study.

Losses and Reorganization

The company had an operating loss of $87,572 in 1935 and a total loss of $95,130 after all charges. Losses were also recorded from 1931 to 1934. As a result the company was reorganized in 1932.

The $1,044,800 of first mortgage bonds now carry interest payable, and cumulative, only when earned. No interest has been earned since this income feature was incorporated in the bonds. The old 7% preferred shares were exchanged share for share into the present common stock. Former common shares were given one new share for each five old shares.

The total bond and share capital has been reduced from $5 millions in 1930 to the present $1,044,800 of bonds and some 40,000 shares of no par value common stock.

Dominion Coal Co. October Output Up

From Our Own Correspondent

MONTREAL.—Dominion Coal Co. collieries report an output of 390,511 tons in October, an increase of 7,000 tons compared with the previous month. In contrast to September last year, production this year shows an increase of about 12,000 tons.

B. C. Petroleum

Petroleum products valued at $9,162,865 were produced in British Columbia last year from six plants employing an average of 398 persons at a cost of $612,712 in salaries and wages.

1866 1936

BRITISH AMERICAN BANK NOTE COMPANY LIMITED

THE OLD CANADIAN COMPANY

For Seventy Years Security Engravers and Printers to Finance and Industry in Canada

HOWARD W. PILLOW
President

CHARLES G. COWAN
Vice-Pres. & Man. Dir.

G. HAROLD BURLAND
Sec.-Treas.

HEAD OFFICE : OTTAWA
262 Wellington Street

511 Place d'Armes
MONTREAL

1110 Bank of Hamilton Bldg.
TORONTO

NEWS FOR INVESTORS

To meet the desire of our clients for current information on a well diversified list of representative Canadian stocks for investment, we have prepared a brief analysis and summary on *twenty leading companies, with comments in each case on the outlook.* To those contemplating investment or readjusting present holdings, this information will be interesting. Pamphlet covering the entire list will be sent on request.

MARA & McCARTHY

Members
The Toronto Stock Exchange
Montreal Curb Market
The Canadian Commodity Exchange Inc.

320 Bay Street, TORONTO, ADelaide 9151

Montreal Power Output Expands

From Our Own Correspondent

MONTREAL.—Further improvement in business conditions in the Montreal metropolitan area, as indicated by sales of power and gas, is reported by Montreal Light, Heat and Power Consolidated.

Electricity production during October amounted to 95.5 million kw.h., as against 93.1 million kw.h. for the same month a year ago.

For the first 10 months of the year, the output of electrical energy jumped from 828.5 million kw.h. in 1935 to 869.1 million kw.h. this year. The figures do not include secondary or export power.

Montreal Power's gas output continues to hold its own with the preceding year. Figures show a fractional decrease of .78% in October when production totalled 447 million cubic feet as compared with 450 million cubic feet during the same month a year ago.

Gas production for the first 10 months of this year was larger than 1935 and totalled 4,328 million cubic feet. This compares with 4,328 million cubic feet in the first 10 months of 1935.

Newfoundland News in Brief

The question of a pulp and paper mill on the Gander area, regarded as one of Newfoundland's most promising prospects for future development, is still creating considerable interest. Hon. T. Lodge, commissioner for public utilities, stated last week that he was satisfied that ultimately there would be a mill on the Gander, but that nothing could be done until at least next May.

Commissioner Lodge leaves Nov. 17 for a three months leave of absence, and rumor has it that he may resign on completion of his term next February.

* * *

Relief expenditures continue to climb. Outlay in September amounted to $87,365 about 56% more than in the same month last year. The number of persons on relief was 47,367, 17,500 more than a year ago, and approximately one-sixth of the entire population. Poor results of the fishery itself, and the reduced government aid to fishermen in providing supplies have played an important part in adding to the totals.

* * *

Influenced by the small codfish catch this season, and by early depletion of stocks, prices of common cod oil has risen sharply in recent months. The early season price of $85 a ton or 256 gallons has been increased to $110. The increase represents a difference of about ten cents a gallon. Opinion in the trade is that top prices have not yet been reached, and that increasing activity in leather trades, where the oil is used extensively, will be effective in hoisting prices still further.

* * *

Reported activity in cutting of pulpwood and pitprops for export this fall is the greatest for many years. Work on both timber limits under license and Crown lands has been exceptionally heavy.

* * *

Codish exports from July 1 to Sept. 24 amounted to 237,661 quintals valued at $908,471. This compares with a trade valued at $1,104,224 in the corresponding period of 1935. Chief customers this season have been Portugal, Foreign West Indies, Brazil and British West Indies, in that order.

* * *

Harvey & Co., a St. John's firm, has undertaken production of a large quantity of frozen cod fillets. By some, this is regarded as a definite move toward modernization of the fishery. The venture was taken in co-operation with the Commission of Government.

Joy Oil Co. Finds Barrier in Toronto

Toronto civic property committee has refused permission to the Joy Oil Co. to erect storage tanks on water front properties leased by company from the Toronto Harbor Commission.

F. G. McBrien, solicitor for the oil company, has stated he will use the courts to establish the company's position, and has stated to The Financial Post that the city may be sued for damages. The contention is that civic authorities have no power to regulate the gasoline trade. A number of service station operators have appeared before the property committee urging that entry of the Joy firm into Toronto would mean low-price competition.

Montreal Prices Cut

St. Lawrence Service Stations Ltd., Montreal, is a sister firm, and has reduced the price of gasoline substantially in that territory.

The company owns oil tankers, and has imported some Roumania petroleum products into Canada. In Montreal, the St. Lawrence firm has been selling gasoline below 20 cents a gallon including six cents tax.

CALL HOME ... on those Sundays away from Home!

JIM HOWARD looks forward to the week-ends. He likes to spend them at home in the bosom of his family. So, when a prolonged business trip found him at loose ends in a strange town that Sunday morning, his cup of sorrow and discontent was overflowing—until he suddenly thought of Long Distance and the new Low Sunday Rates. "It will be almost as good as being with them" thought Jim as he briskly stepped to the telephone.

On *both* "Anyone" and "Person-to-Person" calls, Low Night Rates apply after 7 p.m., and ALL DAY SUNDAY.

THE BELL TELEPHONE COMPANY OF CANADA

EIGHTY-EIGHTH ANNUAL REPORT OF THE CONSUMERS' GAS COMPANY OF TORONTO

Year Ended 30th September, 1936

Your Directors present herewith the Eighty-eighth Annual Report of the operations of the Company, together with the Financial Statements for the year ended September 30th, 1936.

The gross earnings for the year have exceeded by $101,537.97, the amount required to pay all costs of operation, taxes, interest charges, actual repairs and renewals, and the regular dividend.

The volume of gas sold during the year has equalled that of the preceding year.

The value of residuals, Coke, Tar and Ammonia, produced during the year was slightly lower than that of the previous year, due in part to the smaller quantity of coal carbonized. The prices obtainable for the Company's production of Coal Tar and Oil Tar have for the past three years been much below the prices received in former years. Any improvement in the business of the Tar Distillation Industry should soon result in the Company receiving a higher return for its tar production.

The sales of gas appliances by the Commerical Department have been very satisfactory in volume, being ten per cent. greater than those of last year and fifty-one per cent. greater than the sales of 1934.

Operating Expenses, exclusive of Taxes, have amounted to $4,690,809.19, a decrease when compared with 1935 of $106,243.38. Constant effort has been put forward by your Directors throughout the year to effect all reasonable economies in items of operating cost, without sacrificing efficiency or quality of the service rendered to our consumers.

Taxes, including Dominion Income Tax, Ontario Corporations Tax, Workmen's Compensation Tax and Municipal Property Tax, chargeable to the operations of the year have amounted to $509,560.65, an increase over last year of $19,047.25.

The amount paid by the Company for Customs Duties, Excise Tax, Sales Tax, Fees and Licenses, during 1936 was $351,254.10.

During the year the Dominion Income Tax on Corporations was increased from 13.5 per cent. to 15 per cent. and the Sales Tax was increased from 6 per cent. to 8 per cent.

The following tabulation shows the rates of various forms of taxes for the years 1930 and 1936, and strikingly illustrates the upward trend of taxation which has taken place in the past six years.:

	1930	1936
Dominion Income Tax	8%	15%
Ontario Corporations Tax	0.5%	1.5%
Workmen's Compensation Tax	0.9%	1.2%
Toronto—Property, Business and Income Tax	31.8 Mills	34.85 Mills
Customs Duty on Coal	50c. per ton	75c. per ton
Sales Tax	1%	8%
Excise Tax on Imports	none	3%

Had the rates for the year 1930 on the items enumerated been effective during 1936, the Company's tax bill for 1936 would have been lower by $231,376.00.

There were no important construction projects undertaken during the year. The manufacturing plant, distribution system and other properties of the Company have been well maintained in good physical and operating condition. Expenditures on repairs and renewals have amounted to $496,307.98.

The coke handling machinery in the Coke Storage Building at Station "B" Works has been reconstructed and extended to effect improvement in the arrangements for the sizing and preparation of coke for the market.

The Meter Repair Shop and Testing Rooms located in the Company's building on Mutual Street have been entirely remodelled, and where advisable, new and modern equipment has been installed to replace the older and less efficient units. More than 35,000 meters pass through the meter shop and testing rooms annually.

The Directors have to record with deep regret the death on the 17th of September of their honoured President and General Manager, Arthur Hewitt, who for a period of almost fifty years, rendered valuable services to the Company. Mr. Hewitt entered the service of the Company in March, 1887, was appointed General Manager in November, 1909, was elected a Director on March 4th, 1929, Vice-President on March 17th, 1930, and President on November 5th, 1934.

At a meeting of the Directors held on September 28th, Mr. Thomas Bradshaw, who has served on the Board of Directors since April, 1930, was elected to the office of President.

The vacancy on the Directorate caused by the death of Mr. Hewitt was filled by the election to the Board of Mr. Walter C. Laidlaw.

All of which is respectfully submitted.

T. BRADSHAW,
President.

STATEMENT OF INCOME AND PROFIT AND LOSS
For Year Ended September 30th, 1936

GROSS EARNINGS:		
Gas Sales	$5,226,762.95	
Residuals Produced	1,640,059.68	
Merchandise Sold	252,897.64	
Miscellaneous Revenue	6,383.72	
		$7,126,103.99
Production, Distribution and Administration Expenses and Taxes		5,200,369.84
NET EARNINGS		$1,925,734.15
INTEREST EARNINGS, NET		77,631.80
		$2,003,365.95
Dividends on Capital Stock		1,405,520.00
		$597,845.95
Transferred from Reserve Fund		463,287.85
		$1,061,133.80
Transferred to Plant and Buildings Renewal Fund		$1,061,133.80

BALANCE SHEET OF THE CONSUMERS' GAS COMPANY OF TORONTO
September 30th, 1936

LIABILITIES

Capital Stock		$14,055,200.00
Reserve Fund:		
Amount at Credit October 1, 1935	$6,425,723.37	
Transferred to Profit and Loss, September 30, 1936	463,287.85	
		5,962,435.52
Plant and Buildings Renewal Fund:		
Amount at Credit October 1, 1935	$4,371,635.97	
Less Repairs and Renewals	496,307.98	
	$3,875,327.99	
Appropriation from Earnings, Authorized by Statute	1,061,133.80	
		4,936,461.79
Reserved for Dividend No. 346		351,380.00
Provision for Dominion Government and other Taxation		81,621.63
Accounts Payable		454,356.34
Bank Advance		495,040.35
		$26,336,495.63

ASSETS

Real Estate, Plant and Equipment	$22,093,925.36
Investment in Dominion of Canada, Province of Ontario and City of Toronto Debentures	1,989,860.99
Materials and Supplies	1,318,690.04
Cash in Bank and Offices	15,118.00
Accounts Receivable, after making provision for Doubtful Accounts	775,991.80
Interest Accrued, not due	37,074.13
Prepaid Taxes and Insurance	105,835.31
	$26,336,495.63

Approved on behalf of the Board of Directors.

(Signed) T. BRADSHAW, President.
(Signed) EDWARD J. TUCKER, General Manager.

We have audited the accounts and vouchers of The Consumers' Gas Company of Toronto, for the year ended September 30th, 1936. Our requirements as Auditors have been complied with and in our opinion the above Balance Sheet sets forth a correct statement of the Company's affairs as shown by its books.

(Signed) W. E. SAMPSON, C.P.A.
EDMOND GUNN, F.C.A. } Auditors.

TORONTO, October 29th, 1936.

At the Annual Meeting of the Shareholders held November 9, 1936, the following gentlemen were elected Directors for the ensuing year: A. R. Auld, Esq.; T. Bradshaw, Esq.; A. H. Campbell, Esq.; L. Goldman, Esq.; W. C. Laidlaw, Esq.; C. S. Macdonald, Esq.; Colonel J. F. Michie; F. G. Osler, Esq.; T. H. Wood, Esq.

At a meeting of the Board held subsequently, Mr. Thomas Bradshaw and Mr. A. H. Campbell were re-elected President and Vice-President, respectively.

In the Construction World

Home Loans Will Revive Confidence in Building

Will Permit Real Estate Improvements Without Fear of Heavier Taxation — High Wages Check Construction

CONFIDENCE is the keystone of all investments. Thousands of Canadians who rigidly refused to be interested in the stock market a year or two ago, when prices were but 50% of those prevailing today, are now beginning to accumulate securities freely. They refused to buy in 1934 because they lacked confidence, but now that Canadian business has shown itself capable of forging ahead, confidence has been restored.

Unfortunately the same cannot yet be said of house building in all sections of the Dominion, but a big start has been made by the National Employment Commission in restoring this all-important element. Confidence is being built up in two ways; by ensuring the proposed improvements under the modernization loans against increases in taxation and by allowing the owners of existing real estate to put their properties in shape through low-cost loans.

* * *

Bars to Improvement Have Been Removed

THERE was little incentive for the owner of a 20-year-old house to add to his already excessive tax burden by repairing property. So long as a fresh coat of paint or a new roof was an invitation to the municipal authorities to hoist the tax rate, the improvement was delayed. In the meantime the rental value of the property was declining and with that decline confidence in real estate both old and improved ebbed.

Now, through low-cost modernization loans and a guarantee against increased assessment the National Employment Commission has dealt this lack of confidence a double blow. Existing real estate can be renovated and municipalities are announcing co-operation in withholding increasing assessment.

Normally, this plan should result in very considerable improvement in old residential property and will furnish the proper and admittedly necessary atmosphere for expansion in new building.

* * *

Repairs Precede New Building

THERE is much sound reasoning in the argument of those building authorities who maintain that improvement to existing property precedes and does not follow a new building movement. During a depression tenants will put up with very poor accommodation, provided they can secure this cheaply enough. They would rather, too, live in quarters supplied by somebody else; somebody more willing than they to bear the full burden of taxes, interest and other overhead.

But with better times the landlord becomes weary of carrying property which he believes should carry him. He begins to raise rents. To do this he is willing to listen to demands for improvements, for better equipment and new decorating.

The home owner goes through a somewhat similar metamorphosis. So long as everything continues to go down except taxes, he takes little interest in his property. Expenses are kept down to the minimum. Then, with recovery, he begins to make improvements, and finally, if his confidence continues, he branches out into entirely new quarters, or at least does not discourage his friends from doing so.

* * *

Too High Wages May Block Building

BIG contractors generally favor high wages. Their experience indicates unmistakably that when the bricklayer or carpenter is placed in a position where he does not have to worry unduly about the price of bread or shoes, then better work results and jobs are completed within scheduled time.

Reputable construction firms in the Montreal area welcomed an agreement with labor whereby price-cutting below a decent minimum wage was eliminated. But there is a feeling in many parts of the country that wages have been pushed up too quickly and too high.

In the Toronto area, for instance, rates considerably more than doubled in many instances as a result of the government-backed labor codes. The 25-cent rate which prevailed on some jobs for carpenters previous to the codes was admittedly too low. But a jump to more than three times that figure overnight, on the other hand, was considered, to say the least, rather sudden.

The drastic revision not only added, in theory, close to 25% to the cost of house construction, but it also invited abuses in the form of bootlegging. Rightly or wrongly a portion of the public got the impression that they were being held up, and at least some of the failure of house building in Toronto to live up to anticipations is blamed on excessive building costs.

CONSTRUCTION STOCKS

We have available a Survey of the leading Canadian Construction Companies. Copies upon request.

PITFIELD & COMPANY
Head Office: 235 St. James St. *Uptown Branch:* Windsor Hotel
MArquette 9121 MONTREAL PLateau 9943
Members:
Montreal Stock Exchange Montreal Curb Market
Canadian Commodity Exchange Inc.
OTTAWA SAINT JOHN CAMPBELLTON HALIFAX

To increase your SALES *give your store* INDIVIDUALITY

SPECIALTY shops must have individuality: it is their most valuable asset. Many successful shops have achieved this individuality by installing custom-built floors which reflect the *character* of their business.

Give *your* store individuality. Choose a floor design in keeping with the nature of your business . . . then consult your supplier about reproducing it — with Dominion Battleship Linoleum (either plain, Marboleum or Jaspé). This permanent, easier-to-clean floor comes in 19 different colours and effects and can be cut to reproduce almost any design.

Descriptive bulletins on request.

DOMINION OILCLOTH AND DOMINION BATTLESHIP LINOLEUM LINOLEUM COMPANY LIMITED, MONTREAL

To Proceed With Caution On Housing

Ottawa Realizes Many Pitfalls For Low Cost Projects

FOSTER SELF-HELP

From Our Own Correspondent

OTTAWA. — Because Canada has not yet accumulated a fund of experience in assisted housing schemes, the National Employment Commission will advise the Federal Government to go slowly and cautiously in the low-cost housing scheme for which legislation will soon be drafted, The Financial Post learns.

A preliminary examination of the problem has convinced members of the commission that it would be unwise, as well as unconstitutional, for the Dominion Government to actually build and rent houses itself. Such an investment would be at the mercy of municipal authorities.

The same argument applies with little less force to provincial building.

Funds Are Scarce

The commission recognizes, also, after a survey of Canadian municipalities, that many cities in Canada are at the moment either in default or perilously near that condition. They are unlikely, therefore, to be interested in a housing scheme which would involve a local contribution.

At the same time the need for housing development is admittedly great. The Federal Government thinks the commission should make assessible to such municipalities as are able to finance a scheme, or are able to interest their own citizens in launching a scheme privately, the necessary low-cost capital to proceed with house-building.

The ideal housing programme will be one large enough to permit of substantial savings in building costs because of mass production, but not large enough to involve serious financial difficulty on the part of the investors—private or governmental—if it should meet with adversity.

Cheap Money Will Help

The commission will almost certainly recommend to the Federal Government that the best contribution it can hope to make is the provision of money at the lowest possible rate.

It appears probable that the money will be advanced by the Government at less than cost—perhaps for 2½% or 3%. The difference will be absorbed as the federal contribution to the project. Any losses of course will swell that sum.

This cheaper-than-cost money will, it is expected, be made equally available to municipalities and to private housing companies which are prepared to meet the conditions which the Federal Government will have to lay down.

To Foster Self Help

The principle of encouraging municipalities to help themselves out of the depression will be followed as much as possible. No "forcing" of the loans is intended. Municipalities will be encouraged to revise their taxation methods so as to encourage a maximum of private buildings.

Some authorities are urging the Government that so long as substantial sums are collected for unemployment relief by a direct tax on residential property no building boom can be expected. The whole matter of re-allocation of taxes may have to be taken up.

Nova Scotia Steel Using More Labor

MONTREAL.—Nova Scotia Steel & Coal Co. and Eastern Car Co. are reported to have between 450 and 500 men at work in the New Glasgow plant. This number will be stepped up to around 800 during the next two or three months while an order for 265 cars is being completed. Following that, it is hoped that further substantial orders will be received from the railway companies.

Montreal Contractors Favor Wage Agreements

Quebec Legislation Credited With Restoring Stability

NO COMPULSION

No matter how the various codes may be working out in other provinces, Quebec in its Collective Labor Agreement Extension Act appears to have satisfied two of the main parties directly concerned—the contractors and the building trades in the Montreal area.

Prior to enactment of this legislation, two years ago, the construction industry in and around Canada's largest city was in a bad way.

In Bad Situation

Wages had fallen to as low as 25 cents per hour for bricklayers and carpenters and to 16 cents per hour for the less skilled trades. In some cases workmen received only $6 for a 40-hour week after car fare was paid. While there was little enough construction in any case, the big reputable firms were getting practically none of it. Such firms, of course, refused to pay the low wages mentioned, and as a result on all but the very big jobs, where expensive equipment and capital were necessary, they found themselves underbid continuously.

The situation, representatives of these large contracting firms told The Financial Post, was getting desperate. Workers on cut-rate jobs were given less for working than they would have received on relief. Fly-by-night concerns with no financial responsibility and a poor workmanship record behind them completely dominated the bread-and-butter end of the construction field.

Reputable firms whose scale of wages never fell to anything like 25 cents an hour were forced to lay off their men because they could not meet competition on the smaller jobs.

Voluntary Agreement

Then labor leaders and the heads of some of the large contracting firms got together early in 1934. They appealed to the Provincial Government. In effect, Premier Taschereau told them that if labor and the employers could agree on a fair scale of wages and hours he would back them to the full extent of the law.

Unlike the legislation that followed in other provinces, the Government did not attempt to adopt the rôle of arbitrator. There was no necessity nor desire for that.

Representatives of the two building labor unions in the Montreal area and the employers and 200 contractor firms formed themselves into a builders' exchange. They worked out a scale of wages in keeping with general conditions, and these were then incorporated into the law.

This policy from the start has given mutual and general satisfaction, The Financial Post is informed. Though the Provincial Government has changed since the agreements were first drawn up it is stated that the present administration has subscribed wholeheartedly to the scheme and will probably go ahead and extend it into other areas and other trades.

Do Own Policing

Actual working of the agreement is left to the Builders' Exchange with its paid secretary and staff of inspectors. The inspectors constantly survey construction jobs and make sure that labor is receiving the scale of wages agreed upon. The policing, therefore, is carried out by the Exchange which is self-supporting from a levy of one-half of one per cent of the payrolls of the contractors and the same amount from the wages of the workers.

Where less than the agreed upon scale of wages is paid the inspectors bring these cases to the attention of the Builders' Exchange and the offending contractors are prosecuted or threatened with prosecution under the Act. D. A. Paterson, secretary of the Exchange, told The Financial Post that in the two years of operation of the new Act at least $300,000 has been recovered in wages settlement and many times this amount had been paid over voluntarily to the workers where cases of infringement were brought to the attention of the contractor.

Say Wages Moderate

The Exchange, he said, had never been a party to wage rates that were uneconomic or which would discourage the public from undertaking construction operations. Present scale in the Montreal area is 70 cents per hour for bricklayers and 60 cents for carpenters or considerably less than the Toronto official rates.

"Our interests," said Mr. Paterson, "lie in the promotion of building activity. The building owner has always been a first consideration which has been scrupulously observed. The Exchange is simply endeavoring to eliminate wages as a unit in competitive tendering. The reputable employer has always longed for the removal of that abuse, but he has been at the mercy of the competitor who had no qualms in the matter. Without the protection afforded by the law the fair-minded employer would have had little chance of remaining in business. If the legal wage structure in the building industry was removed no doubt all wage rates would crumble to 20 cents an hour or less."

"And what then?" asked Mr. Paterson. "How long would that state of affairs contribute to quietude and social order? The unsocial conditions so engendered would speedily have paved the road to revolution."

Contractors Satisfied

The Financial Post representative talked to heads of several contracting firms in Montreal and found them universally in favor of the new agreement. Some of them looked on this measure as a temporary one to be used during a period of depression and recovery only but all agreed that it is working out satisfactorily.

These contractors, some of whom operate on a national scale throughout the country, were strongly opposed to shaving down wages below a generally approved minimum, in order to secure competitive business.

Winnipeg Industries

The industrial output of greater Winnipeg in 1936 is 18% above 1935 and nearly 30% over 1934.

Use Over 90% Canadian Steel

Over 90% of all the structural steel used in the larger public buildings erected by the Federal Government throughout Canada in the last two years, was fabricated in Canada. Figures furnished by the Department of Public Works on all projects costing over $100,000 each are as follows:

Structural steel used	15,239 tons
Rolled in Canada	91.62%
Structural steel cost	$1,882,415
Number of buildings	19

In engineering construction by the Federal Government some 2,750 tons of steel, costing $429,021.90, was used. Of this 98% was rolled in Canada. While this material went into 67 different structures, three large highway bridges accounted for only 60% of it.

Algoma Steel Corp. Increases Output

New Structural Shapes Go to All Parts of Canada

The increasing demand for structural steel shapes is indicated by the fact that Algoma Steel Corp. reports that this year shipments have been made to points in every province in Canada as well as to Dawson City, Yukon Territory. Much of this material, apparently, is going into the north country where mining development has stimulated the demand for construction materials.

"Production of the 10-inch I-beams was begun in September," states an official of the corporation, "but it was only during October that a substantial range of weights was produced. It is our intention to add still heavier weights in these sizes as the demand for them arises."

The company points out that the variety of sizes of weights of structural steel shapes in demand in Canada is practically as broad as in United States, but tonnage, of course, due to the difference in population is considerably less. Algoma Steel recently expanded the range of its activities in an effort to broaden demand.

3,000 Dosco Workers To Join Lewis Union

HALIFAX.—Organization of 3,000 steel workers employed in the Dosco steel mills at Sydney, N.S., and Trenton, N.S., within the jurisdiction of John L. Lewis's Committee of Industrial Organization will get under way immediately.

See Big Output Of Metal Sheets

Year's Volume Running Ahead of Last Five Years

Production of galvanized sheets in Canada during the first nine months of 1936 exceeded by a wide margin total production during the whole of either 1933 or 1932. Though the third quarter's figures were down slightly from the corresponding period in 1935, cumulative total for the nine months to date was considerably in excess of the first three quarters of last year and within 7% of the total output for 1934.

Assuming production during the last three months of the year will be at the equivalent of the recent rate, total production for 1936 will be around 50,000 tons, an output only exceeded twice in the last 10 years. Recent figures in detail are as follows:

Production of Galvanized Sheets

Years	Net tons
1927	36,338
1928	48,785
1929	63,813
1930	52,878
1931	41,720
1932	27,728
1933	32,859
1934	39,403
1935	44,390
1936 (first 9 months)	37,577

B. C. Still Out After More Lumber Markets

From Our Own Correspondent

VANCOUVER. — The order-in-council extending the favored-nation tariff arrangements with the British West Indies so as to eliminate existing anomalies in the trade relations with that section of the Empire is likely to prove of considerable value to British Columbia.

The lumber industry, which has carried on an aggressive sales campaign throughout the Empire since the Ottawa agreements took effect, and has profited handsomely as a result, is not overlooking any bets in the West Indies, and Major L. R. Andrews, veteran trade scout for the lumber interests, recently flew to Miami, which will be a hopping-off point for a flying tour of the islands.

October Leads September in Vancouver Building

October building in Vancouver continues to run up imposing totals. For the month just concluded permits were issued to the value of well over $250,000 as compared with $247,000 for the same month a year ago. For the current year to date totals amount to almost $4.2 millions as compared with $3.5 millions for the first 10 months of 1935 and less than $1.3 millions for the same period in 1934.

Almost half the October building was devoted to houses, total value of permits issued in this connection being not far short of $108,000. Of this, some $94,000 went into new houses and almost $14,000 was used in repairs and alterations.

TRANSPORT SURVEY RADIO

MILES — OR MINUTES?

"I left Ottawa on the 10th of May, 1886, accompanied by Mr. J. M. Macoun as assistant and botanist. We proceeded to West Selkirk, in Manitoba, where we were detained eight days, awaiting the departure of a vessel which could take us up Lake Winnipeg.

We then secured passages in a small schooner, which sailed on the 21st of May, but which, owing to head winds, did not reach our starting point—the mouth of Berens River, half way up the lake on its eastern side—till the 28th of May."

Extract from Dominion Geological Survey Report.

Such was travel fifty years ago when Berens River was reckoned over 200 miles distant from Winnipeg. Today it is but a two hours flight.

Canadian Airways operate the largest fleet of aircraft in the Dominion of Canada.

Use Airways Radio

MONTREAL: DESBARATS BLDG. — PHONE MA. 4231

WINNIPEG
Airways Bldg.
Phone 201-184

TORONTO
217 Bay St.
Phone ELgin 2081

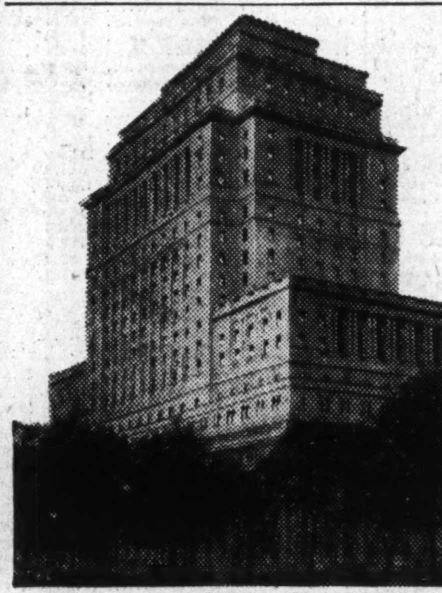
CANADIAN AIRWAYS

Abitibi Power & Paper Company, Limited
TORONTO, ONT.

Owning and operating mills at

Beaupré, Que. Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. Iroquois Falls, Ont.
Espanola, Ont. Smooth Rock Falls, Ont.
Pine Falls, Man. Fort William, Ont.

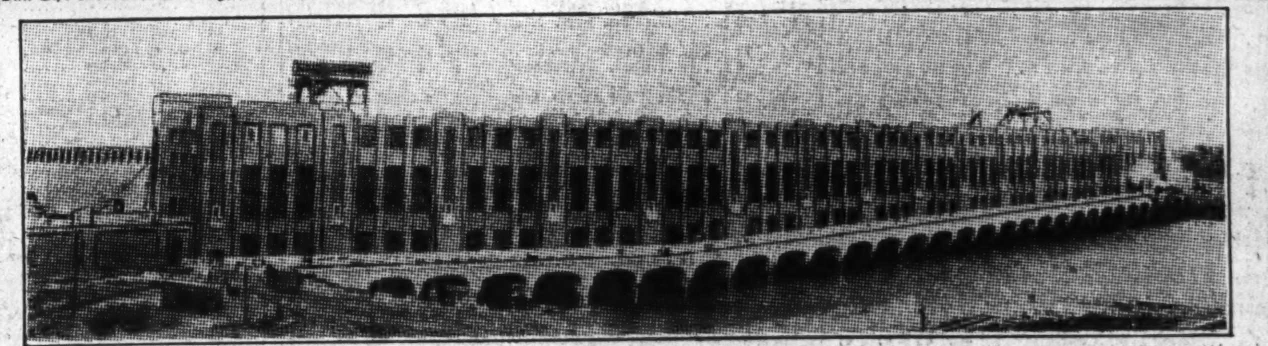
Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp



Sun Life Insurance Building, Montreal.

ROOFED by MURRAY
MURRAY MADE

Royal York Hotel, Toronto.



Beauharnois Power Corp'n Ltd., Beauharnois, P.Q.

The BIG Roofing Jobs For Any Type Of Building Naturally Gravitate To Murray

ROOFED BY MURRAY

Sun Life Insurance Building, Montreal.
Royal York Hotel, Toronto.
Halifax Harbour Commissioners' Building, Pier 2, Halifax, N.S.
Central Heating Plant, Northern Public Service Corpn., Winnipeg.
Protestant High School, Verdun, Que.
Royal Bank Building, Vancouver, B.C.
Price Bros. Building, Quebec.

Throughout the Dominion, the finest and most impressive buildings in every phase of public endeavor . . . Hotels, Universities, Factories, Office Buildings, Utilities . . . are Roofed by Murray . . . For, where quality and permanence are essential and proven performance is the determining factor, a Murray-Made Bonded Built-Up Coal Tar Pitch and Gravel Roof is the inevitable selection. Upon request Murray Roofing Engineers will inspect your roof and submit recommendations for any necessary repairs. No charge is made for this service. Write or telephone the nearest Murray Sales Office.

ROOFED BY MURRAY

Canada Life Bldg., Toronto.
National Research Building, Ottawa, Ont.
Pavilion Notre Dame du Rosaire, St. Jean de Dieu Hospital (1936) Longue Pointe, Montreal.
The Grain Elevator, Fort Churchill, Hudson Bay.
Administrative Building, Ontario Hydro-Electric Commission, Toronto.
Noranda Mines Limited, Rouyn, P.Q.

Alexander MURRAY & Company LIMITED
MONTREAL — TORONTO — HALIFAX — SAINT JOHN — WINNIPEG — VANCOUVER
Affiliated with Dominion Tar & Chemical Co., Limited
Canada Creosoting Company, Limited Fibre Conduits, Canada, Limited

Wabasso Cotton Mills Ltd., Three Rivers.

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING NOVEMBER 9

Range 1936 High	Low	Div R'te $	Nov. 6 Y'ld %		Sales	Last Nov. 2	Week end. Nov. 9 H	L	Cl'se
				A					
4.65	1.25	.	...	Abitibi	18670	3.25	4.00	3.25	3.75
24½	6½	.	...	Do. pref. 6%	2025	21	23	21	22
23½	6½	.	...	Do. cert. dep.	60	21	22	21½	22
5	4½	.	...	Acadia Sugar	15	4½	5	4½	5
21	14½	50c	2.9	Acme Glove	95	19½	17	16	17
100	94	6.50	6.9	Do. pref.	5	94	94	94	94
10	7½	40+20c	7	Agnew Surp.	125	8½	9	8½	8½
110	100	7	6.4	Do. pref.	15	110	110	110	110
6	2	.	...	Alta. Pac. Gr.	720	2½	3	2½	3
39	19	.	...	Do. pref.	620	23	25½	23	25½
54½	54½	.	...	Aluminium	....	(54½ Sept. 24)			
4½	2	.	...	Amal. Electric	10	4½	4½	4½	4½
23	14	.	...	Do. pref.	....	(20 bid 25 asked)			
40½	29¾	15c	...	Amer. Cyn. B.	80	35	39	36	39
56	51½	3.50	6.2	Ang. C. Tel. pf.	81	54½	56	54½	56
77	17½	.	...	Asbestos v. t.	930	73	76½	74	75
15	9½	60c	5	Assoc. Brew.	586	12	12	12	12
110	103	7	6.4	Do. pref.	25	110	109¾	109¾	109¾
8½	7½	.	...	Assoc. T. & T.	....	(— bid 9 asked)			
51½	34	.	...	Do. pref.	....	(56 bid — asked)			
				B					
60	51½	2.25	3.7	Bank of Canada	175	58¾	60	58	59
141½	133	8	5.7	Bk. Can. Nat.	80	140½	141	140½	141
214	182½	8	3.9	Bk. Montreal	374	207	210	205	210
300	271	12	4.1	Bk. N. Scotia	116	285	295	293	295
235	220	10	4.3	Bk. Toronto	20	228	230	228	230
13½	5	75c	...	Barcelona	....	(4 bid 7 asked)			
17¾	10½	.	...	Bathurst Pr.	26149	14½	17	14	16¾
7	3	.	...	Do. (B)	1660	5½	7	5½	6¾
4½	1	.	...	Bawlf Grain	575	2½	2¾	2½	2¾
38	20	.	...	Do. pref.	36	23	24½	23½	24½
5	2½	.	...	Beath & Sons	....	(3½ bid — asked)			
15	9½	.	...	Beatty Bros. A.	220	12	10½	9¾	10½
107	96	6	5.8	Do. pref.	20	104	104	104	104
5½	1¾	.	...	Beauharnois	2708	4½	4½	4	4½
110	97½	4	4.1	Belding Cort.	....	(98 bid — asked)			
145	126½	7	5.2	Do. pref.	....	(135 bid — asked)			
153	140	6	3.9	Bell Telephone	1863	151½	152	150½	152
52½	30	2.25	...	Biltmore Hats	50	49	50	49	50
110	110	7	6.4	Do. pref.	....	(100 bid — asked)			
5	3	.	...	Bissell, T. E.	....	(4 bid 4¾ asked)			
50	33	.	...	Do. pref.	....	(35 bid 45 asked)			
5	2½	.	...	Blue Ribbon	....	(— bid 3¾ asked)			
34	27	2	6	Do. pref.	75	33½	33½	32	33½
28	25½	32½c	..	Brant. Cord. pf.	....	(26½ bid 27 asked)			
18¾	9¾	30c	...	Brazilian Tr.	21091	17½	18¾	17½	17¾
1.45	.70	.	...	Brew. & Distil.	1745	.80	.85	.80	.80
4½	1¾	.	...	Brewing Corp.	8324	2½	3	2½	2¾
18½	10¾	1.50	11.8	Do. pref.	774	12½	14	12½	14
9	5	30c	4.6	Bright, T. G.	100	5	6½	6½	6½
82	80	6	12	Do. pref.	....	(77 bid — asked)			
27¾	16½	80c	3.4	Brit. Amer. Oil	22741	22¾	23½	22¾	22¾
13½	8	.	...	B. C. Packers	393	12½	13¾	11	11½
38½	28½	1.60	4.1	B. C. Power A.	1313	37	38½	37½	37½
9	3½	.	...	Do. (B)	3217	6	9	6	7¾
16	7½	10c	...	Bruck S. Mills	670	8½	9½	8½	9½
58	33	1.40+25c.		Building Prod.	1025	55	58	55	56
9¾	6¾	.	...	Burry Biscuit	1205	8	8¾	8	8¾
75	51	3	4.3	Do. pref.	50	70	69	69	69
47¾	37½	2	4.6	Burt, F. N.	717	43½	44	43	43
				C					
120	120	.	...	Calgary Power	....	(120 Sept. 28)			
86½	74½	6	8	Do. pref.	....	(72½ bid — asked)			
8	4½	.	...	Canada Bread	900	7¾	8	7	7¾
103	90	1.25+50c.		Do. pref. A.	20	100½	103	102½	103
47	30	50c	...	Do. pref. B.	20	47	47	46	47
10½	6½	40c	...	Canada Bud	305	9	9¾	9	9½
13¾	6	.	...	Canada Cement	17512	12	13¾	12	13½
98½	58	.	...	Do. pref.	537	95½	98	95	96
69¾	57	1.50+1	3.6	C. & D. Sugar	....	(— bid 67½ asked)			
b20½	10¾	.	...	Canada Dry	16400	17	18	16¾	17¾
20	3	.	...	Can. Forg. (A)	910	12½	20	12½	20
12	2	.	...	Do. (B)	195	5	12	5	12
50	30	.	...	Canada Iron	....	(34 bid 50 asked)			
60	51	3	5.4	Do. pref.	....	(51 bid — asked)			
36½	30½	1.50	4.1	Can. Malting	1050	36	36½	35¾	36½
29	22½	1.20	4.7	Can. Nor. Pr.	374	26	26	25	26
112½	107¾	7	6.4	Do. pref.	39	110	110	110	110
93	80	3	3.3	Can. Packers	50	90	89½	89½	89½
118	105		...	Can. Paper, pf.	....	(110 bid — asked)			
2½	1¾	.	...	Can. Paving, pf	....	(2½ bid 5 asked)			
160	120	8	6	Can. Perman.	100	134	134	130½	134
14	14		...	Can. Starch	....	(20 bid 25 asked)			
95	95	7	...	Do. pref.	....	(97¾ bid — asked)			
3.25	1.00	.	...	Can. Steamsh's.	385	2.00	2.50	2.00	2.25
15½	6½	.	...	Do. pref.	1340	6¾	7	6¾	6¾
27½	19½	1.20	5.6	Can. Vinegars	320	20½	21½	20½	21½
55	20½	.	...	Can. W. Cable	20	45	55	55	55
22	9	.	...	Do. (B)	5	22	22	22	22
116	98½	2.75▲	...	Do. pref.	....	(— bid 117 asked)			
4	2	.	...	Can. Bakeries	....	(3½ bid — asked)			
61	40		...	Do. pref.	90	58	58	55	58
170	148	8	4.8	Can. Bk. Com.	466	161½	167	160	166
49	31	1	2.1	Can. Bronze	360	45	49	47	48
116	101½	5	4.6	Do. pref.	25	107	108½	108½	108½
7¾	4	.	...	Can. Canners	935	6½	7½	6½	7½
104½	88¾	6	5.8	Do. 1st pfd.	42	104½	104½	104	104
10	5	.	...	Do. 2nd pfd.	1500	9½	10	9½	9¾
15½	5½	.	...	Can. Car & F'y	25364	12¾	15½	12¾	14½
25½	13	.	...	Do. pref.	10115	24	25¾	23½	25
31½	25½	40c	...	Can. Celanese	2190	27	27½	27	27½
130½	112	7	5.5	Do. pref.	419	128	130	127	127½
22	18	.	...	Do. Rights	40	22	22	21	22
30	21½	2	7.4	Can. Convert.	25	27	27	27	27
55	48	4	7.8	Can. Cottons	10	51	55	55	55
105	97	6	5.8	Do. pref.	20	101	103	101	103
50	37	2+1	6.2	Can. Dredge	2259	45	48½	44	48
101	98¾	6	6	Can. Fairb., pf.	....	(100 bid — asked)			
34	23½	1.60	5.6	Can. For. Inv.	245	29	29	28	28
107½	105	8	7.4	Do. pref.	....	(107 bid — asked)			
200	150	5	2.5	Can. Gen. Elec.	5	200	200	200	200
10	7½	50c	...	Can. G. Inv.	....	(10 bid — asked)			
59½	26	.	...	Can. Hyd. El. p	2120	58	59½	55	55
12½	6½	.	...	Can. Ind. Alc.	33920	6¾	7½	6¾	7¾
11½	5	.	...	Do. (B)	3255	5½	7½	5¾	7¾
225	221	4.25	...	Can. Indust. B.	....	(222½ Sept. 21)			
4	1		...	Can. Int. I. Tr.	328	3	3½	2½	3½
68	35	.	...	Do. pref.	40	65	68	67	68
23	20	1	5	Can. Lt. & Pr.	15	20	20	20	20
4	1	.	...	Can. Locomo.	256	3¾	3¾	3½	3½
b3½	1½	.	...	Can. Marconi	5635	2	3½	1¾	2
18	12	50c	4	Canadian Oil	840	12½	13½	12½	12½
142	123	8	6	Do. pref.	600	134	133	133	133
18½	10¾		...	Can. Pacific	35530	13½	14¾	13¾	14½
2.50	.10	.	...	C. Pr.&Pa. Inv.	30	2.00	2.12	2.12	2.12
7	4½	.	...	Do. pref.	....	(9 bid — asked)			
15½	1½	.	...	Can. Vickers	18312	10½	15	9½	13½
61	12	.	...	Do. pref.	1370	50	61	50	50
29½	24	1.25	...	C. Wallpaper, A	....	(28¾ bid 29 asked)			
29½	24½	1.25	...	Do. (B)	30	28½	28	28	28
80½	79	2	2.5	Can. West'ho'se	....	(78 bid — asked)			
3½	1	.	...	Can. Wineries	1125	2½	3	2½	3
26½	21	1.50	...	Can. Wire Box.	305	25	25	25	25
103½	100	5	4.8	Carnation, pfd.	....	(103¾ bid 104 asked)			
8½	4½	.	...	Capital Estates	592	8	8	7½	7½
13	2½	.	...	Catelli Food	185	10	13	12	12
15	9	.	...	Do. pref.	165	13	11	10	11
165	160	8	5.3	Cent. Can. L'n.	....	(148 bid 195 asked)			
1.60	.75	.	...	Chem. Research	6040	1.04	1.10	1.01	1.06
3.00	1.00	.	...	City Gas & El.	152	1.50	2.00	2.00	2.00
.75	.15	.	...	Claude Neon	1700	.55	.50	.40	.45
15	12½	96c	7	Coast Brew.	135	13¾	14	13½	14
10½	5½	.	...	Cockshutt Plow	3760	10	10½	9	9¾
4.00	.60	.	...	Comm. Alcohol	38025	2.00	4.00	2.00	3.25
22	15¾	80c	3.6	Cons. Bakeries	985	22	22	21	21½
9½	2	.	...	Cons. Paper	13683	8¾	8¾	6¾	7½
11	5	.	...	Cons. Press	85	8¾	11	8½	11
42	32	.	...	Cons. Sand, pf.	....	(42 bid — asked)			
75¾	51	50c	...	Cons. Smelters	35368	70½	75½	70¾	75¾
206	189	10	4.9	Consumers' Gas	141	204½	205	204	205
90	78	7	8.2	Corr. P. Box, pf	5	86	86	86	86
27½	17½	80c	3.1	Cosmos Imp.	252	26	26	25½	25½
106½	102	5	4.7	Do. pref.	20	106½	106	106	106
21½	15	80+20c	.	Crown Cork	190	20	20	19½	19½
2¾	1¾	.	...	Crown Dom. Oil	50	2½	1¾	1¾	1¾
56	30	7	...	Crow's N. Coal.	15	46½	48	47	47
				D					
4	2	.	...	David & Fre. A.	....	(2½ bid 2¾ asked)			
1.25	.50	.	...	Do. (B)	....	(— bid .90 asked)			
21	2	.	...	De Havilland	155	15	18	15	15
70	40	.	...	Do. (A)	5	65	70	70	70
4	4	.	...	Disher Steel	....	(2 bid 3¾ asked)			
11½	7½	.	...	Do. pref.	....	(12 bid 16 asked)			
34¾	18½	.	...	Distill-Seagram.	18365	22¾	25½	22¾	25½
222½	190	10	4.9	Dom. Bank	153	205	206	203	205
53½	32	1.20	2.3	Dom. Bridge	4562	50¾	53½	51	51½
20	14	1.50	7.9	Dom. Coal, pf.	4262	19	19½	18½	19
52	26½	.	...	Dom. Engineer.	455	52	52	50	51
65	32	.	...	Dom. Foundries	....	(66 bid — asked)			
116	106	5	4.3	Dom. Glass	201	115	116	115	115½
155	135	7	4.6	Do. pref.	102	153	153	152	152
37½	33	.	...	Dom. Oilcloth	100	37½	37	37	37
100	95	7	7.3	Dom. Rubber, p.	....	(99 bid 102½ asked)			
9¾	3¾	.	...	Dom. St. & C.B.	21058	8¾	9¾	8½	8¾
12	8	.	...	Dom. Stores	5180	10½	11	10	10¾
14¾	4¾	.	...	Dom. Tar & Ch.	3912	14	14½	13	13¾
108	57	.	...	Do. pref.	211	105	108	106	107
79	60	5	6.6	Dom. Textile	690	75½	76	75½	75¾
150	143	7	4.7	Do. pref.	40	150	150	149	149
13½	4¾	.	...	Donnacona P. A.	6286	11¾	12½	11¾	11¾
12¾	2½	.	...	Do. (B)	610	11	11½	10½	10¾
12	4¾	.	...	Dryden Paper	1500	10½	11	10	10½
				E					
2½	1	.	...	East. Koot. Pr.	....	(— bid 2½ asked)			
16	5	.	...	Do. pref.	5	13½	12	12	12
4½	1½	.	...	East. Dairies	1670	2¾	4½	2¾	3¾
21	8½	.	...	Do. pref.	1482	12¾	21	15	20
18	10	1	...	East. Steel	90	16½	16¾	16½	16½
107	80	7	6.5	Do. pref.	35	106	107	106	106
85	72¾	7	8.7	East. Theat., pf.	....	(— bid 83 asked)			
5½	1½	.	...	Easy Washing	6	4½	4½	4½	4½
30	20	1	...	Economic Inv.	....	(30 bid 32¾ asked)			
28½	19¾	1.60+60c		Electrolux	2530	22½	24½	22¾	24½
4½	1	.	...	Enam. & Heat.	760	3	6	3½	5½
7	5½	.	...	Equitable Life	8	7	6	6	6
39½	10½	.	...	Eng. Electric	646	35	39½	35	39
19½	4	.	...	Do. (B)	1475	19	19½	17	19
7	7	.	...	European El. A	....	(— bid 12 asked)			
.35	.35	.	...	Do. Warrants.	....	(.25 bid — asked)			
				F					
25	18	.	...	Fam. Players	....	(23 bid 25 asked)			
20	14	.	...	Do. Vot. Tr.	....	(18 bid — asked)			
22¾	13½	50+12½c.		Fanny Farmer	10865	19¾	22½	19¾	22½
28½	18¾	75c	3	Ford Motors A.	11847	25	25½	24¾	24¾
3.00	.65	.	...	For. Pr. Secs.	550	1.00	.85	.75	.75
25¾	13	.	...	Foundation Co.	1055	24½	25	24½	25
25¾	9	.	...	Fraser Cos.	1065	24½	24½	23½	24½
25	8	.	...	Do. Vot. Tr.	6079	24½	24¾	23½	24½
60	55	6	10.3	Freiman, pf.	....	(37 bid 40 asked)			
8	2½	.	...	Frost Steel	110	5	5	4¾	5
100	88	5.25	...	Do. pref.	....	(95 bid 100 asked)			
				G					
9¾	3	.	...	Gen. St. Wares.	13139	7½	9¾	7½	9¾
90	45	.	...	Do. pref.	747	76	90	76	89
90	64½	2.50	2.8	Goodyear Tire.	210	86	88	86	88
58	53½	2.50	4.3	Do. pref.	155	57½	57½	56	56
3	1	.	...	Gt. W. Saddlery	135	2	2	1¾	1¾
30	13	.	...	Do. pref.	....	(30 bid 39 asked)			
8½	5	.	...	Gurd, Chas.	640	7½	8	7½	7½
100	90	7	7.2	Do. pref.	20	95	97½	95	97½
14¾	5½	.	...	Gypsum, Lime.	23430	13½	14¾	13½	14
				H					
9½	4	.	...	Ham. Bridge	3550	9	9¾	8½	9¾
65	25½	.	...	Do. pref.	260	62	65	62	63
32	25½	2	6.2	Ham. Cot., pf.	30	31	32	31½	31½
3	1	.	...	Ham. U. Theat.	50	3	3	3	3
61	50	4	6.5	Do. pref.	6	59	61	61	61
6	2¾	5c	...	Harding Carpet	2722	5	5	4¾	5
9	1½	.	...	Hillcrest Coll.	....	(5 bid — asked)			
20	15	.	...	Do. pref.	98	20	15	15	15
22½	12	50c	...	Hinde & Dauch	3865	20¾	22	20¾	21¾
7	4	.	...	Holt Renfrew	....	(7 bid — asked)			
40	30	.	...	Do. pref.	....	(40 bid — asked)			
1.25	.40	.	...	Honey Dew	700	.75	.95	.75	.95
15	7	.	...	Do. pref.	65	13	14½	14	14
18½	9½	.	...	H. Smith Pap.	3798	17½	17½	16½	16½
119	88	3	...	Do. pref.	125	100	105	103	103
35	28	2	5.9	Humberstone S.	170	32¾	35	33¾	34
19	4½	.	...	Hunts (A)	75	13½	15	12½	12½
20	6	.	...	Do. (B)	110	13	9½	9½	9½
90	70	5	7	Huron & E. Mt.	28	71	73	71	71
12¾	8½	.	...	Do. 20% pd.	....	(9¾ bid 10 asked)			
10½	6½	.	...	Hydro Electric	....	(9 bid 9½ asked)			
				I					
221	197½	10	4.8	Imperial Bank	320	206	210	205	210
24½	20½	50+75c	5.4	Imperial Oil	51581	22½	23½	22	23½
14½	13½	52½c	3.7	Imperial Tob.	7220	14	14	13¾	14
7¾	7	6%	...	Do. pref.	....	(7½ bid — asked)			
36	19	1	...	Inter. City Bak.	....	(— bid 40 asked)			
48	40	4.50	...	Inter'c Coal	....	(— bid 49½ asked)			
130	115	8	...	Do. pref.	....	(120 bid — asked)			
20	20	1c	...	Int. Coal & C.	....	(.10 bid — asked)			
b5½	2¾	.	...	Int. Hyd. E. A.	8600	4¾	4¾	4½	4½
14	4	.	...	Int. Metal Ind.	1525	13	14	13	13
85	80	.	...	Do. pref.	410	83	85	83	85
105¾	101	5	4.8	Inter. Mill. pf.	35	103	103½	103	103½
65	43½	1.60	...	Inter. Nickel	52854	61½	65	62¾	64½
9¾	2½	.	...	Inter. Paints	1265	7¾	8¾	7¾	8
29½	14¾	1.12½▲	..	Do. pref.	20	20	19	19	19
b15	3¾	.	...	Int. Pa. & P. A.	18400	13½	14¾	12¾	14
b6½	2½	.	...	Do. (B)	2200	5½	6½	5¾	6
b3½	1¾	.	...	Do. (C)	6400	3½	3½	2¾	3½
b70½	20½	.	...	Do. pref.	20000	67	70½	67	69½
39½	33	1.50+1	6.8	Inter. Pete.	17030	36½	37	36	36½
6¾	3	.	...	Inter. Power	375	6½	6¾	6½	6½
95	57	6	6.4	Do. pref.	321	94½	94½	94	94
15½	13	.	...	Int. St. Rly. A.	....	(— bid 13 asked)			
14½	3¾	.	...	Int. Util. (A)	660	11½	11½	10½	11
2.25	.40	.	...	Do. (B)	4225	1.45	1.45	1.05	1.25
				J					
37¾	33	1.75	4.7	Jam. Pub. Ser.	....	(37½ bid — asked)			
130	123½	7	5.4	Do. pref.	....	(129½ bid 130 asked)			
				K					
23¾	6¾	1.25	...	Kelvinator	400	22¾	22¾	22	22½
107	102½	7	6.6	Do. pref.	....	(106½ bid 108 asked)			
				L					
38	16½	.	...	Lake of Woods.	2350	33½	34½	32½	34½
170	123	7+14▲	4.1	Do. pref.	25	170	170	168	170
58	54	5	9	Landed Bank	....	(55½ bid 56 asked)			
16½	13¾	17½c	..	Lang, J. A.	3756	14½	16½	14½	16½
5½	3	.	...	Langley's	....	(5 bid 5½ asked)			
60	35	.	...	Do. pref.	....	(55½ bid 56 asked)			
78	64¾	3	3.9	Laura Secord	80	74	78	75	75
8	2	.	...	Lindsay, C. W.	135	8	7¾	7	7
70	40	.	...	Do. pref.	....	(62 bid — asked)			
22¾	18¾	1	4.4	Loblaw (A)	2146	22½	22½	22½	22½
21½	17½	1	4.6	Do. (B)	858	20¾	21½	20¾	21½
				M					
5	2½	.	...	MacKin. Steel.	....	(6½ bid — asked)			
50	50	.	...	Do. pref.	....	(55 bid — asked)			
21	16½	.	...	MacLaren Pr. p	....	(20½ bid — asked)			
1.50	.50	.	...	M. L. Gardens.	10	1.50	.75	.75	.75
4	2½	.	...	Do. pref.	5	2½	2¾	2¾	2¾
4¾	1	.	...	Maple Leaf	6075	4½	4¾	4	4½
12¾	2	.	...	Do. pref.	977	11½	11¾	10	10¾
*12¾	12	60c	...	Maritime Tel.	....	(13¾ bid — asked)			
15	15	70c	4.7	Do. pref.	....	(14¾ bid — asked)			
18	18	.	...	Marcus Loew's	....	(— bid 20 asked)			
116	111	7	6	Do. pref.	....	(115 bid — asked)			
7½	3¾	.	...	Massey-Harris	6397	5½	6½	5½	5¾
40	28	.	...	Do. pref.	1441	33	34½	33	33½
17¾	12½	80c	5.3	McColl Fron.	15721	14	15	14	14¾
105	96½	6	5.8	Do. pref.	290	103½	103¾	102½	102½
13¾	9	.	...	Melchers (A)	1005	11	11	10½	10¾
5¾	2¾	.	...	Do. (B)	175	4	4½	4	4½
18	9	.	...	Mercury Mills p	65	15	18	15½	18
44	30	1	2.3	Mitchell, J. S.	5	40	44	44	44
110	110	7	6.4	Do. pref.	....	(110 bid — asked)			
14½	5½	.	...	Mitchell, Robt.	360	14½	14½	14	14½
5	3	.	...	Monarch, Knit.	....	(4 bid — asked)			
90	85	7	8.2	Do. pref.	....	(86 bid 88 asked)			
37	26	.	...	Montreal Cot.	5	37	36	36	36
100	85	7	7.2	Do. pref.	26	99	97	97	97
2½	1½	.	...	Mont. Is. Pr.	....	(2½ bid 8 asked)			
36½	30	1.50	4.2	Mont. L. & Pr.	22401	34¾	36	34¾	35¾
28¾	26	2	6.9	Montreal Loan.	....	(27 bid — asked)			
11½	9	.	...	Mtl. Ref. & S.P.	75	9¾	11½	11	11½
2	1½	.	...	Do. Vot. Tr.	5	2	2	2	2
60	55½	3.20	5.5	Montreal Tele.	44	57½	57½	57½	57½
103	85	9	9.8	Montreal Trams	124	91	93	90	93
45	27½	1	2.2	Moore Corp.	2852	42½	45	42½	44½
180	146	7	3.9	Do. pref. A.	309	168	180	170	179
266	175	7	2.7	Do. pref. B.	35	250	266	260	265
1.25	.25	.	...	Muirheads	....	(.75 bid 1.00 asked)			
4½	3	.	...	Do. pref.	115	4½	4½	4½	4½
				N					
45	37	2	4.9	Nat. Breweries.	5196	40½	41	40	40¾
45	39¾	1.75	4	Do. pref.	233	43	44	43½	44
10	5	.	...	Nat. Grocers	4983	7½	10	7½	9½
140	135	7	5.1	Do. pref.	10	136	137	137	137
20½	16¾	.	...	N. Sew. Pipe A	140	20½	20	19¾	20
35	13	.	...	Nat. Steel Car.	10980	28	35	27½	34½
214	196	8	4	National Tr.	....	(204 bid 209 asked)			
39	29	40c	...	Niag. W. Weav.	833	36	39	38	38½
1.75	.90	.	...	North Star Oil.	25	1.75	1.75	1.75	1.75
4.50	3.15	.	...	Do. pref.	1010	4.25	4.37	4.00	4.00
84½	61	5	5.9	N. S. L. & Pr.	....	(80 bid — asked)			
104	100¾	6	5.8	Do. pref.	....	(104 bid — asked)			
				O					
241	199¾	8	3.3	Ogilvie Flour	474	238	241	239	241
165	152	7	4.2	Do. pref.	65	165	165	165	165
119	100	6	5.7	Ontario Loan	....	(105 bid 110 asked)			
14½	7	.	...	Ont. Silknit	....	(— bid 7 asked)			
90	75	7	8.7	Do. pref.	....	(— bid 80 asked)			
20	8	.	...	Ont. Steel	237	16½	20	16½	20
95	74	3.50	...	Do. pref.	....	(106½ bid 120 asked)			
1	1	.	...	Orange Crush n	100	..	1	1	1
..	..	.	...	Do. pref.	....	(5 bid — asked)			
101½	88	6	6	Ott. L. H. & Pr.	25	99½	100	99½	99½
103½	101½	6.50	...	Do. pref.	125	102¾	103	102	103
21	15	2	9.5	Ott. Traction	55	20½	21	21	21
				P					
104	78½	3	2.9	Page Hersey	1042	100½	104	100	104
6¾	3½	.	...	Pantepec Oil	7705	5½	6½	5¾	6
25	18	.	...	Paton Mfg.	....	(10 bid 20 asked)			
110	110	7	6.4	Do. pref.	50	100	110	110	110
60½	48	3	4.9	Penmans	65	57½	60½	59	60½
126½	118	6	4.7	Do. pref.	7	126	126½	125	126½
27	21½	1	4.2	Photo Eng.	98	23½	23½	22	22
100	82	7	7.3	Porto Rico Pr p	20	100	97	96	97
5½	4¾	.	...	Potrero Sugar.	....	(4 bid 4½ asked)			
19	11¾	.	...	Power Corp.	8511	17	19	17½	18½
105	97½	6	5.7	Do. pref.	255	104	105	105	105
3	1½	.	...	Prairie C. Oil.	320	2½	3	2½	3
38	19	1.25	...	Pressed Metals.	820	36	37½	36	36¾
17	2¾	.	...	Price Bros.	4610	17	17	16	16
81	22	.	...	Do. pref.	325	80	81	79	79
				Q					
24	14	1	4.4	Quebec Power	3670	21	24	21	22
4½	4	.	...	Que. Telephone	10	4	4½	4½	4½
				R					
40	40	2	5	Real Estate L'n	....	(— bid 45 asked)			
8	4½	.	...	Regent Knit.	515	8	8	7½	7½
18½	12½	.	...	Do. pref.	35	18	18	17½	17½
10	4½	.	...	Reliance Grain	55	7½	8	7½	8
23½	19½	60c▲	...	Remington R'd.	510	21½	22¾	22½	22½
33½	28½	2	6.2	River. S. Mills	100	32½	32½	31	32½
9½	4	.	...	Rogers Majest.	1700	9	9	8½	8¾
105	95½	6	5.8	Rolland P. pf.	64	104¾	104	103½	104
17	15	50c	...	Root Petroleum.	....	(— bid 15¾ asked)			
192	164	8	4.2	Royal Bank	438	185	192	184	189¾
46	30	.	...	Russell Motor	....	(46 bid — asked)			
116	100	7+1▲	6.3	Do. pref.	100	110½	110½	110	110
				S					
101½	100	5.50	5	Saguenay Pr. p	278	100½	100¾	100	100½
15	6	.	...	Sarnia Br. (A)	25	14	12	12	12
9½	1½	.	...	Do. (B)	50	8	8½	7½	8½
29½	18¾	60c	2.1	Shawinigan	9937	28	29½	26	28½
25½	16	.	...	Sher. Wms.	1569	22	25½	21¾	24
128	115	7	5.5	Do. pref.	52	123	128	124	128
12½	9	.	...	Simon & Son	125	12	11	10½	10½
93	85	7▲	...	Do. pref.	5	87	90	90	90
100	70	4	4.2	Simpson, Ltd.	912	94	100	92	93
20	10	.	...	Do. (A)	305	13½	20	15	20
15	4	.	...	Do. (B)	40	10	10	9	10
122	111½	6	4.9	Simpson, R., pf.	....	(119½ bid 125 asked)			
15	11	80c	5.4	So. Can. Pr.	3064	13¾	15	13¾	14½
105½	98	6	5.7	Do. pref.	103	104½	105	104	104½
5	1½	.	...	St. Law. Corp.	9207	4½	5	4½	4¾
19	8	.	...	Do. (A)	4205	18	19	18	18
60	40	2+1	5.3	St. Law. Flour.	....	(61 bid 68 asked)			
135	120	7	5.2	Do. pref.	....	(— bid 140 asked)			
54½	20¾	.	...	St. Law. Pap.	1210	50	50½	49	50
15	6¾	.	...	Stand. Chem.	162	14	14½	14	14
8	2	.	...	Stand. Clay	....	(3½ bid 8 asked)			
4.50	1.15	.	...	St. Pav. & Mat.	200	3.75	3.75	3.32	3.75
27	12	.	...	Do. pref.	....	(28 bid 29 asked)			
45	20	75c	...	Stand. Steel, pf.	20	42	45	45	45
71¾	57	1.75‡	2.4	Steel of Can.	3146	70½	72	70	71½
62½	49½	1.75	2.8	Do. pref.	3121	61¾	62½	61½	62½
4	3	.	...	Sterling Coal	....	(2 bid 3½ asked)			
2½	¼	.	...	Stop & Shop	....	(1½ bid 2 asked)			
2¾	2	.	...	Supersilk H.	....	(2¾ bid — asked)			
79	66	3.50	4.5	Do. pref.	....	(— bid 80 asked)			
41	30	1	2.7	Sup. Pete. ord.	30	37	37	34½	34½
43	32	1	2.3	Do. com.	....	(40 bid 50 asked)			
				T					
16½	16	20c	...	Tamblyn, new	1510	16½	16½	16	16½
58	54	7	12	Do. pref.	8	54	58	58	58
5	1	.	...	Thayers	....	(1½ bid 2 asked)			
37	18	.	...	Do. pref.	30	25	23	23	23
3	1	.	...	Thrift Stores	125	1	1	1	1
14	5	.	...	Do. pref.	....	(— bid — asked)			
11	7½	25c	...	Tip Top Tailors	135	10	9½	9	9
107	102	7	6.7	Do. pref.	10	107	105	105	105
1½	1	.	...	Tooke Bros.	....	(1 bid — asked)			
22	10	.	...	Do. pref.	....	(— bid 11 asked)			
40	34	1	2.7	Tor. Elevators	5	39½	36½	36½	36½
119	109	7	6.1	Do. pref.	179	117	117	115	115
95	75	4	5.1	Tor. Gen. Tr.	93	79	80	75	80
122½	115	6	4.9	Toronto Mtge.	....	(125 bid — asked)			
160	150	7	4.4	Tuckett Tob. p.	30	157	160	160	160
16	8	.	...	Twin City	12	14½	14¾	14¾	14¾
				U					
14¾	9	12½c	..	Union Gas	2314	14	14½	13½	14
25	15	30c	...	Un. Amuse. (A)	....	(20 bid — asked)			
15	15	30c	...	Do. (B)	....	(20 bid — asked)			
1.00	.50	.	...	United Distill.	312	.90	1.00	.95	1.00
49	20	.	...	United Fuel, pf.	2003	43	49	43	46
28½	20	2	8.5	United Secs.	66	24½	24	23½	23½
6¾	2½	.	...	United Steel	36715	5½	6¾	5¾	6
				V					
10	10	.	...	Viau Bisc., new	....	(— bid — asked)			
				W					
31½	20	.	...	Wabasso Cot.	210	23	25	24	25
47½	26½	2	4.4	Walker-Good.	7975	44½	47½	44	47
20½	17	1	5.1	Do. pref.	3678	19	20½	18¾	20
3½	1¾	.	...	Walkerville Br.	3115	2½	2¾	2	2
2.25	.95	.	...	Waterloo Mfg.	100	1.50	1.95	1.50	1.95
11½	4½	.	...	West. C. Flour.	815	10¾	10½	10	10
73	36	.	...	Do. pref.	100	70½	71	70	70
60	46½	2	3.3	West. Grocers	....	(60 bid — asked)			
115	106	7	6.1	Do. pref.	....	(115 bid — asked)			

Government Bonds

November 11, 1936

Dominion of Canada Bonds		Due	Bid Nov. 11	Asked Nov. 11	Approx. Yield	Bid Nov. 4
†‡Dominion	5	1 Mar. 1937	101.00	101.50	...	101.15
‡Dominion	5½	1 Dec. 1937	104.35	104.85	.91	104.50
Dominion	2½	15 Oct. 1939	102.75	103.50	1.38	103.25
Dominion	4	15 Oct. 1939	106.75	107.25	1.49	106.85
Dominion	2	15 Nov. 1939	101.75	102.50	1.16	102.00
Dominion	1½	1 June 1940	99.80	100.30	1.39	100.10
Dominion	4½	1 Sept. 1940	109.00	109.50	1.92	108.75
Dominion	1	15 Mar. 1941	97.50	98.00	1.47	98.00
Dominion	5	15 Nov. 1941	113.00	113.50	2.14	112.75
Dominion	3	15 Oct. 1942	104.75	105.25	2.05	104.75
Dominion	3½	1 June 1943	101.35	101.85	2.20	101.25
Dominion	5	15 Oct. 1943	114.00	114.60	2.67	113.75
Dominion	4½	15 Oct. 1944	112.00	112.60	2.72	112.00
▪Dominion	2½	15 Aug. '43-45	100.80	101.40	2.27▲	100.00
Dominion	4	15 Oct. '43-45	108.90	109.40	2.51▲	108.75
Dominion	4½	1 Feb. 1946	112.00	112.60	2.94	112.00
Dominion	3½	15 Oct. '44-49	104.75	105.25	2.77▲	104.65
Dominion	4	15 Oct. '47-52	107.90	108.40	3.09▲	107.75
Dominion	3	1 June '50-55	99.85	100.35	2.97▲	99.70
Dominion	4½	1 Nov. '46-56	111.25	111.75	3.12▲	111.00
Dominion	4½	1 Nov. '47-57	111.25	111.75	3.22▲	111.00
Dominion	4½	1 Nov. '48-58	111.85	112.35	3.25▲	111.70
Dominion	4½	1 Nov. '49-59	111.95	112.45	3.21▲	111.85
▪Dominion	3¼	15 Jan. '56-61	102.90	103.40	3.02▲	102.00
Dominion	3¼	1 June '56-66	100.85	101.35	3.16▲	100.65
▲Dominion	3	Perp. bonds	95.90	96.40	3.11	95.65
Dominion Guaranteed Bonds						
*G. T. P. Ry.	3	1 Jan. 1962	100.00	101.00	2.94	99.50
Can. N. Ry.	3	1 May 1944	103.00	104.00	2.41	103.25
Can. N. Ry.	3	15 Dec. '45-50	99.50	100.50	2.93▲	99.50
Can. N. Ry.	3	15 Feb. '48-53	99.25	100.25	2.97	99.25
*Can. N. Ry.	4½	1 Sept. 1951	114.25	115.25	3.21	113.50
*Can. N. Ry.	4½	1 Feb. 1956	114.50	115.50	3.41	114.00
†Can. N. Ry.	4½	1 July 1957	113.50	114.50	3.52	113.50
*Can. N. Ry.	4¾	15 June 1955	116.75	117.75	3.46	116.50
Can. N. Ry.	5	1 Feb. 1954	117.25	118.25	3.58	117.00
*Can. N. Ry.	5	1 July 1969	117.50	118.50	2.88▲	117.25
*Can. N. Ry.	5	1 Oct. 1969	119.00	120.00	3.39▲	118.75
*M. Harb. C.	5	1 Nov. 1969	119.00	120.00	3.39▲	118.75
Eastern—Provincial Government Bonds						
N. Bruns.	4	1 Sept. 1964	103.00	104.00	3.69	103.00
†N. Bruns.	4½	15 Apr. 1961	109.00	111.00	3.82	109.00
†Sask.	5½	15 Nov. 1946	90.00	92.00	6.60	86.00
Sask.	5½	1 Oct. 1952	89.00	91.00	6.40	87.00
Sask.	6	15 Mar. 1952	92.00	94.00	6.62	90.00
†N. Bruns.	5	15 Jan. 1960	113.00	115.00	4.01	113.00
N. Scotia	3	2 Sept. 1945	98.00	100.00	3.00	98.00
N. Scotia	4½	15 May 1943	107.00	109.00	2.98	107.00
†N. Scotia	4½	15 Sept. '47-52	109.00	111.00	3.20▲	109.00
†N. Scotia	5	1 Mar. 1960	115.25	117.25	3.57	115.00
*Ontario	4	1 June 1962	106.50	108.00	3.52	106.50
*Ontario	4½	1 Sept. 1944	112.50	113.50	2.62	112.00
Ontario	4½	1 June 1950	111.00	112.00	3.41	111.00
*Ontario	4½	15 Jan. 1962	112.50	114.50	3.62	112.50
Ontario	5	15 Oct. 1948	114.00	115.00	3.46	114.25
*Ontario	5	2 Dec. 1960	120.00	122.00	3.64	120.00
Ontario	5½	1 July 1946	115.00	116.00	3.38	114.75
O. H. C.	3½-4-5	1 Oct. '36-52	100.00	101.00	1.20▲	99.75
Ont. Hyd. C.	4¾	1 Jan. 1970	117.00	118.50	3.77	117.50
P. E. I.	3	1 Oct. 1945	100.50	101.50	2.83	100.50
Quebec	4	15 Mar. 1962	107.00	109.00	3.26	107.00
Quebec	4¼	1 Aug. 1958	110.25	112.25	3.45	110.25
Quebec	4½	2 Jan. 1963	112.00	114.00	3.67	112.25
Western—						
Alberta	4	15 Dec. '49-54	62.00	65.00	§	61.00
†Alberta	4	1 Dec. 1957	63.00	66.00	§	62.00
Alberta	4½	1 Oct. 1951	72.50	75.00	§	72.00
†Alberta	4½	1 Oct. 1956	67.00	69.00	§	64.00
†Alberta	5	1 Jan. 1948	68.00	70.00	§	65.00
Alberta	5	1 Sept. 1955	66.00	69.00	§	64.00
*Alberta	5	1 Oct. 1959	68.00	70.00	§	65.00
†Alberta	5½	1 Jan. 1947	69.00	71.00	§	66.00
Alberta	6	1 Mar. 1947	69.00	71.00	§	66.00
†Brit. Col.	4	1 Dec. 1957	88.00	90.00	4.74	87.00
*Brit. Col.	4½	15 Jan. 1951	93.50	95.50	4.94	91.00
†Brit. Col.	4½	1 Oct. 1953	93.00	94.50	4.98	90.00
†Brit. Col.	5	15 Jan. 1948	96.00	98.00	5.23	94.50
Brit. Col.	5	1 Sept. 1953	95.00	97.00	5.27	93.00
Brit. Col.	5½	1 Feb. 1945	97.00	98.50	5.73	95.50
Brit. Col.	6	15 Feb. 1947	98.50	99.50	6.06	97.00
Manitoba	4	2 Jan. 1950	86.00	88.00	5.25	86.00
†Manitoba	4	1 Dec. 1957	86.00	88.00	4.91	86.00
†Manitoba	4½	15 Dec. 1956	90.00	92.00	5.14	91.00
†Manitoba	5	15 June 1954	95.00	97.00	5.26	94.00
*Manitoba	5	2 Dec. 1959	96.00	99.00	5.07	96.00
Manitoba	5½	1 Oct. 1955	94.00	96.00	5.85	93.00
Manitoba	6	1 Apr. 1947	96.50	98.00	6.38	95.00
Sask.	4	15 Aug. 1963	76.00	78.00	6.09	74.00
Sask.	4	1 Nov. '36-60	75.00	77.00	5.78	73.00
*Sask.	4½	2 July 1945	85.00	87.00	6.48	83.00
†Sask.	4½	1 Oct. 1951	83.00	85.00	6.03	82.00
†Sask.	4½	15 Mar. 1960	81.00	83.50	5.79	80.00
Sask.	5	1 Aug. 1958	84.00	86.00	6.17	83.04

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ▪Payable N.Y. ‡Exempt from Dominion income tax. ▲Callable on or after Sept. 15, 1966. §Traded flat.

Corporation Bonds

Supplied by the Investment Dealers' Assoc. of Can.

November 10, 1936

Public Utility Issues:	Int. Rate %	Due	Bid Nov. 10	Asked Nov. 10	Bid Nov. 3
*Am. Tel. & Tel.	5½	'38	88	89	88
‡Avalon 'Phone.	5½	'48	102½	..	102½
Beauharnois P.	5	'73	49	51	50
*Bell Telephone	5	'55	114½	117½	114½
*Bell Telephone	5	'57	121	124	121
†B. C. Power	5	'60	105	106½	104
†B. C. Power	5½	'60	105	106½	105½
†B. C. Telephone	5	'60	105½	106½	105½
*Calgary Power	5	'60	97	100	95
†Can. Nor. Pwr.	5	'53	103	106	103
*Dom. Gas & E.	6½	'45	92½	95½	92
*Gatineau Pwr.	5	'56	101	104	100½
*Gat. Power, A	6	'41	99	103	99
*Gat. Power, B	6	'41	96	101	98
*Inter. Hydro-E.	6	'44	63½	66½	68
*Inter Power	6½	'57	99	102	99
†Maclaren-Que. Power	5½	'61	89	92	87½
†Maclaren-Que. Power	5½	'64	88½	91½	87
†Mtl. Island Pr.	5½	'57	104½	107½	104½
†Mtl. L. H. & Pr.	3½	'56	101	104	100½
†Mtl. Tramways	5	'41	102½	105½	102½
†Mtl. Tramways	5	'55	85	88	96½
Nfld. L. & P.	4½	'56	100½	103½	100½
†N. S. L. & Pr.	5	'58	103½	106½	104
N. S. L. & Pr.	5	'65	102½	..	102½
†Ottawa L.H.&P.	5	'57	105	108	105
†Ottawa Tract.	5½	'35	99½	102½	99½
†Ottawa V. Pwr.	5½	'70	77½	80½	78
†Power Corp.	4½	'59	99½	102½	99
*Quebec Power.	5	'68	103½	106½	104
Saguenay Pwr.	4½	'66	104½	107½	104½
†Shaw. W. & Pr.	4	'61	99	102	99
†Shaw. W. & Pr.	4½	'70	103	106	103
†South. Can. Pr.	5	'55	104	107	104
†United Secs.	5½	'52	82	85	82
*Winnipeg Elec.	4½	'60	104	107	104
*Winnipeg E., A	4	'65	73½	76½	74
*Winnipeg E., B	4	'65	62½	65½	63½
Industrial and Realty Issues:					
†Abitibi Pr. & P.	5	'53	66½	69½	68
Acadia Sugar	4½	'55	101	104	101
†Alta. Pac. Gr.	6	'46	95½	98½	94½
Asbestos Corp.	5	'42	108½	111½	109
B. A. Oil	4	'45	103	106	103
Canada Bread	6½	'41	109	112	109
†Canada Cement	4½	'61	103½	106½	103
†Can. Steamship	6	'41	56½	59½	56½
Candn. Canners	4	'51	99½	102½	99
Can. Bakeries	6½	'45	94	..	94
*Candn. Inter. P.	6	'49	98½	101½	98½
C. P. R.	3½	'51	97½	100½	97
C. P. R.	4	'49	103½	106½	103
C. P. R.	4½	'44	103½	106½	102½
C. P. R.	4	Perp.	96	97½	95½
†Candn. Vickers	6	'47	97	100	97
†Consol. Paper	5½	'61	65	68	67½
*Dominion Coal	6½	'55	100	103	99½
Dom. Sq. Corp.	5	'46	60	64	60
‡Dom. Stl. & C.	6½	'55	76	79	73
†Dominion Tar	4½	'51	98½	101½	98½
Dom. Textile	4½	'55	106	108½	106
†Donnacona P.	3-4-4½	'56	79	82	79½
†Eastern Dairies	6	'49	77½	80½	77
†Famous Players	4½	'51	98½	101½	98
†Federal Grain.	6	'49	98½	101½	98½
†Fraser Comp.	6	'50	101½	104½	101½
†Gen. Steel W.	6	'52	103½	106½	103
*Gt. Lakes Pap.	5	'55	83½	86½	80
†Gypsum L. & A.	5½	'48	102	105	101½
†Gr. Br. & Can. Invest.	4½	'59	85	88	89
Hamilton Cot.	5½	'48	103	106	103
*Ham. By-Prod. Coke	5	'50	101	104	101½
*Hinde & Dauch	5½	'48	103	106	103
†Inter. Paper	6	'55	95	98	94
†Inter. P. & P. Nfld.	5	'68	102	105	102
Inter. City Bak.	5½	'48	103	106	103
Inter-City West. Bakeries	6½	'50	54½	58½	54
†Kingston Elev.	6	'50	96½	99½	94½
†Lake St. John P. & P.	6½	'47	118	121	118
†Lake St. John P. & P.	6	'43	94½	97½	94½
†Lond. Can. Inv.	4½	'46	93	96	93½
†Maple L. Mill.	5½	'49	85½	88½	83½
†Massey-Harris.	5	'47	90½	93½	90
†McColl-Front.	6	'49	104	107	103½
†Mercury Mills.	5½	'53	73½	77½	71
†Mersey Paper	6	'49	98	101	98
†Minn. & Ont. P.	6	'45	48½	51½	49½
Mtl. Dry Docks	6	'46	87	90	87
Nat. Grocers	4	'36-'47	101½	..	101½
†N. A. Elevators	6	'50	98	101	98
Nor. Ont. Bldg.	6½	'39	95½	98½	95½
*Prov. Paper	5½	'47	103	106	102½
Queen's Hotel.	6	'47	98	101	97½
*Reliance Grain	6	'48	103	106	103
†Restigouche Co.	6	'48	110	113	110
Rich. Bay Bldg.	6½	'47	100½	..	100½
†Rolland Paper.	4½	'51	102½	105½	101½
Ruddy & Co.	6½	'48	97½	100½	97½
†Smith, Howard	4½	'51	101	104	101
*Spruce F. P&P	5½	'42	101	104	101
†Steel of Can.	6	'46	113	116	113
Sterling Coal	6	'40	88	..	87
Stop & Shop	6	'47	62	66	61½
Twin City	5½	'52	91½	94½	90
United Amuse.	5	'56	98½	101½	98½
United Corp.	5	'53	97	100	96
Unit. Grain Gr.	5	'48	96	99	96
Unit. Grain Gr.	5½	'48	98	101	98
Union Gas	4½	'43-'50	99	102	99
Zimmerknit	6	'51	101½	..	101½

‡Payable in Canada or U.K. † Payable in Can., U. S., or U.K. *Payable in Can. or U. S.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

November 10, 1936

	Bid	Asked
Industrial Stocks:		
Acadia Sugar, com.	4.90	....
Do., pfd.	5.00	5.25
Acme Farmers Dairy, pfd.	43.00	....
Andian National	48.00	49.50
Assoc. Tel. & Tel., pfd.	56.00	57.00
B. C. Pulp & Paper, pfd.	15.50	18.00
Burns & Co., A	6.50	7.75
Do., B	4.75	5.50
Canada & Dom. Sugar	67.00	68.00
Canada Starch, pfd.	98.50	....
Can. Tube, 1st pfd.	60.25	....
Do., 2nd pfd.	12.50	....
Can. Wire & Cable, pfd.	118.00	120.00
Can. Airways	7.50	10.00
Can. Industries, A com.	250.00	....
Do., B com.	249.00	253.00
Do., pfd.	165.00	166.50
Can. Ingersoll Rand	125.00	128.00
Chase, A. W., pfd. bonus	25.50	....
Conduits Nat., new com.	2.90	3.25
Dom. Found. & Steel, com.	68.00	....
Do., pfd.	95.00	97.00
Dominion Rubber, pfd.	99.50	102.50
Dunlop Tire, pfd.	84.50	87.00
Eastern Dairies, pfd.	20.00	21.50
Federal Grain, com.	2.25	....
Do., pfd.	40.00	42.00
Goderich Elevator	9.00	10.00
Great Lakes Paper, pfd.	19.00	20.00
Guelph Carpet, pfd.	105.00	108.50
Do., com.	21.00	....
Hayes Steel Prod., com.	1.75	....
Highland Dairy, com.	3.50	4.00
Do., pfd.	84.50	88.00
Inter City Baking, com.	35.00	38.00
New Meth. Lacnd., pf. bonus	78.00	....
Provincial Paper, pfd.	106.25	107.25
Reliance Grain, pfd.	94.00	96.50
Rob. Consol. Cone	9.00	10.00
Ruddy, E. L., pfd.	36.00	40.00
Silverwood's Dairies, pfd.	54.00	....
Standard Fuel, com.	9.00	10.50
Do., pfd.	106.00	....
Supertest Petroleum, B pfd.	27.00	28.00
Toronto Carpet, pfd.	42.00	....
United Steel, A pfd.	11.50	12.25
Western Grain, pfd. bonus	....	11.00
Willards Chocolates, pfd.	20.00	24.00
Trust and Loan Stocks:		
Chartered Trust	85.50	88.00
Commercial Finance, com.	2.50	3.00
Debenture of Can.	14.00	....
Guelph Ont. Inv., par $50	48.50	51.00
London & Western Trust	54.00	57.00
Premier Trust	....	....
Sterling Trust	30.00	33.00
Traders Fin. Inc. Rts.	10.25	....
Do., B pfd. bonus	85.00	....
Trusts & Guarantee	28.00	31.50
Waterloo Trusts	98.50	....
Insurance Stocks:		
British America	50.50	....
Canada Life	522.00	530.00
Canadian Fire	76.50	....
Confed. Life, 20% pd.	113.00	115.00
Cont. Life, 20% pd.	38.50	44.00
Crown Life	166.00	....
Dominion Fire	126.00	....
Dominion Life, 50% pd.	272.00	300.00
Dom. of Can. Gen.	121.00	130.00
Empire Life, 25% pd.	7.50	8.75
Excelsior Life, 30% pd.	69.00	72.00
Federal Fire, 25% pd.	41.50	....
Fidelity Ins. of Can.	46.50	....
Great West Life	....	385.00
Guar. of N. A., fully pd.	325.00	340.00
Halifax Fire	23.00	24.00
Imperial Life	350.00	....
Manufacturers Life	240.00	260.00
Monarch Life, 10% pd.	21.25	22.50
National Life, 25% pd.	....	48.00
Sovereign Life, 25% pd.	15.00	18.00
Sun Life	665.00	670.00
Toronto General	5.00	6.25
Western Assurance, com.	45.00	46.50
Do., pfd.	41.50	44.00
Theatre Stocks:		
Allens Beach, pfd.	65.50	70.00
Do., Kingston, pfd.	62.50	....
Do., Parkdale, pfd.	70.50	....
Do., Toronto, pfd. bonus c.	29.50	35.00
Eastern Theatres, pfd.	71.00	80.00
Loew's, Buffalo, pfd.	3.25	4.00
Do., London, pfd.	2.50	3.00
Do., Toronto, pfd.	115.00	....
Mansfield Theatre, pfd.	30.00	32.00
Paramount, Kitchener, pfd.	50.50	....
Do., Oshawa, pfd.	88.50	94.00
United Amusement, A	21.00	....
Do., B	20.50	....
Investment Trust Shares:		
Can. Gen. Invest.	10.65	11.00
Can. Int. Inv. Trust Units	78.00	81.50
Can. Investors Corp.	8.75	....
Cons. Div. Std. Sec. Units	18.75	19.50
Corporate Investors	....	7.75
Dom. Scott. Invest. Units	40.75	43.00
Foreign Power Sec., pfd.	7.75	9.50
Invest. Found. Units	62.50	64.00
Sec. Holding Corp. Units	24.00	25.00
Third Can. Gen. Inv. Trusts	1.85	....
United Corpns., A	27.00	28.00
Do., B	19.00	20.00
Power Issues:		
Calgary Power, pfd.	74.00	76.00
Can. West. Nat. Gas, pfd.	85.00	87.50
Do., com.	25.50	28.00
Inter. Util., 1.75 pfd.	10.75	11.75
Do., 7.00 pfd.	92.50	95.00
Montreal Island Pwr., pfd.	15.00	....
Nor. Ont. Power, pfd.	103.50	105.00
Nova Scotia L. & P., pfd.	104.50	107.00
Do., com.	90.50	....

Unlisted Mines

November 10, 1936

	Bid	Asked
Admiral	.32	.34
Albany River	.84	.86
Algold	.44	.46
Ardeen	.22	.24
Area	.04	.05
Arrow Head	.38	.41
Algoma Summit	2.00	2.10
Athona	.27	.30
B.E.A.R.	.29	.32
Blue Star	..	.24
Bousquet Gold	.10½	.11½
Brae Breest	.22	.24
Brengold	.22	.24
Bilmac	.17	.20
Bailor	.03	.04
Bathurst	.06	.07
Calder Bosquet	.26	.29
Callinan Flin Flon	.11½	.17½
Canadian Pandora	.18	.20
Candalaca	.18	.20
Coin Lake	.29	.31
Columario (new)	.02	.02½
Cuniptau	.26	.28
Continental Kirk.	.25	.27
Casey Summit	.20	.25
Cres. Kirkland	.44	.46
De Santis	.60	.63
Dona Pat	.32	.35
Darwin	.43	.46
Don Martic	.22	.25
Dunlop (new)	.16	.17
Doreva	.56	.60
Dupont Hodgson	.17	.20
Empress Cons.	.64	.66
Franklin	.01½	.02½
Falkenham	.34	.37
Frontier R. Lake	.19	.21
Galateas	.06½	.07
Garnet	.10	.11
Gateway Pat.	.13	.16
Gillies Lake	.63	.65
Gold Eagle	.84	.88
Goldaide	.11	.12
Golden Gate	.35	.38
Gordon Lebel	.25	.29
Gilbec	.04	.04½
Horseshoe	.06½	.07½
Hudson Patricia	.14	.16
Hugh Pam.	.25	.28
Hutchison Lake	.21	.22
Hillside	.14	.17
Jellicoe	.45	.47
Johnson Nipigon	.04½	.05½
Kaw Crow	.20	.23
Kenricia	.69	.72
Keora	.09½	.10
Kirk King	.24	.26
Kerr Addison	.08	.13
King Kirkland	.05	.05½
Lamaque	7.50	7.75
Lafayette	.03½	.04½
Lapa Cadillac	.81	.84
Leitch Gold	.68	.70
Lake Rose	..	.35
McFarlane	.05	.06
Manitoba Basin (new)	.03½	.04½
Margaret	.32	.34
Madsen Red L.	1.15	1.20
Magnet Lake	.15½	.16½
Martin McNeely	.09	.11
Matachewan Can.	.12	.17
McAndrew	..	.20
McCarthy Webb	.49	.51
Mosher	.50	.53
Murmac	—	.08
Martin Bird	.30	.32
Mooshla	.51	.53
Monarch Mines	.36	.39
McVittie Kirk.	.06	.07
Mid Kirk	.28	.31
North Shores	.03½	.04½
Old Diamond	.34	.37
Oklend	.59	.61
O'Leary	.15	.17
Opemiska Cop.	.90	.93
Oriole	.04	.05
Oramond	.29	.32
Ossian	.08½	.09½
Porcupine Gold R.	.03	.04

Winnipeg Stocks

(Transactions from Nov. 2 to Nov. 7)

	Sales	High for period	Low for period	Close Nov. 7
Canadian Fire	5	.76	.76	.76
Cres. Cream. pf.	10	.37	.37	.37
Flin Flon	13,300	.29	.27	.28
Federal Gr. pf.	10	.40	.40	.40
Forty Four	100	.02	.02	.02
Geneva	100	.60	.60	.60
Gold Lake	13,475	.14	.08	.08
Gurney Gold	11,000	.48	.46	.47
Gt. Falls M.&S.	5,500	.10	.09	.10
Island Lake	1,000	.03	.03	.03
Horseshoe	2,200	.05½	.05	.05
Jellicoe	1,000	.39	.39	.39
Home Invest.	30	.20	.19	.19
Kingfisher	1,300	.02	.02	.02
Mandalay	6,450	.10	.08	.08
Ore Grande	10,500	.21	.18	.20
Oxford M.	200	.30	.30	.30
Optic Lake	805	1.05	1.00	1.00
Packsack	4,300	.26	.23	.25
Sachigo River.	229	.18½	.17½	.18
United Grain	15	.11	.10½	.10½
Vanson Man.	6,300	.02	.02	.02
Wingold	11,800	.05	.04¾	.05
Wylie Dom.	505	.45	.43	.43
Wings Ltd.	12,055	2.60	1.85	2.60
Wpg. R. Tin.	13,500	.02¼	.02	.02¼

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Ins.	..	100
Can. Indemnity	135	..
Comm. Securities	..	10
Dom. Envelope, com.	..	1¼
Do., pfd.	93½	..
Northern Mtge., part pd.	..	3½
North. Can. Mtge., pf.	4	..
Traders Bldg.	80	..

* Stocks more active on other exchanges not included.

Municipal Bonds

	Rate	Date	Bid	Ask.	Yld.
†Halifax	5	1961	113.00	115.00	4.04
Hamilton	5	1950	109.50	111.50	3.90
Montreal	5	1945	103.50	105.00	4.28
Ottawa	4½	1945	109.00	111.00	3.05
†Quebec	5	1959	106.00	107.50	4.47
Saint John	5	1950	106.50	108.00	4.25
†Toronto	4½	1955	111.00	113.00	3.54
†Vancouver.	5	1950	83.00	88.00	6.33
Winnipeg	5	1944	95.00	99.00	5.15

†Payable Can. and N.Y.

UNLISTED MINES (Con'td)

Porcupine Lake	.36	.38
Pascalis	.36	.38
Porquin	.18	.20
Pandora Cadillac	.78	.82
Pontiac Rouyn	.23	.25
Red Crest	.90	.95
Rickard Ramore	..	.94
Richmac	.37	.40
Roeanor	.36	.30
Rouyn Reward	.06	
Regal Kirk.	.26	.28
Rubec	.14	.14
Salmo Malartic	.17	.18
Sand River	.20	.27
Schreiber	.14	.16
Skookum	..	.25
Smelter Gold	.06	.07
South Keora	.12	.14
Spooner	..	
Springer	.09	
Sturgeon R. Gold	.32	
Tonawanda	.11½	
Upper Can.	.25	
Wendigo	.29	
West-Side	.09	
W. Red Lake	.14	
White Horse	.24	
Winoga	.40	
Young Davidson	.17	
Young Shannon	.18	

Range 1936 High	Low	Div R'te $	Nov. 6 Y'ld %		Sales	Last Nov. 2	Week end. Nov. 9 H	L	Cl'se
20½	13½	80c	4	Weston Ltd.	8657	18¾	20½	19	20½
108	93	5	4.7	Do. pref.	150	107	107	107	107
2.00	.75	.	...	Windsor Hotel.	....	(2 bid 2½ asked)			
9	4	.	...	Do. pref.	....	(8½ bid 12 asked)			
4½	1½	.	...	Winnipeg El. A	545	3	3½	3	3½
4½	2½	.	...	Do. (B)	316	3	3½	3	3½
21	17½	.	...	Do. pref.	110	20	19½	19½	19½
53	28	.	...	Wood, A. & J. p	10	45	45	45	45
90	50	.	...	Woods Mfg., pf.	275	89	89	88	88
				Z					
4½	2½	.	...	Zimmerknit, c.	85	4½	4½	4	4
76½	60	3.50▲	...	Do. pref.	....	(80 bid 90 asked)			

* Quotations for 1935. No sales recorded in 1936 to date.
▲ On account of arrears. b New York quotations.
‡ Plus extra of $1.42½ paid Feb. 1, 1936.
▪ Plus stock bonus 1% paid Oct. 1.

Mining Stock Quotations

WEEK ENDING NOV. 9

Par Val.	Range 1936 High	Low	Company	Sales	Close Nov. 2 (or last)	High for week	Low for week	Close Nov. 9
1	.13½	.04	Afton	39,800	.06½	.09	.06½	.08½
No	1.58	.88	Aldermac	785,073	1.23	1.58	1.18	1.41
1	.10	.01½	Alexandria	35,000	.03½	.03¾	.03	.03½
No	.12½	.03¾	Algoma	65,275	.08	.08½	.07½	.08
No	7.50	4.10	Anglo-Huronian	1,901	6.00	6.00	5.75	6.00
1	1.75	1.00	Argosy	16,275	1.15	1.16	1.08	1.10
1	1.20	.65	Arntfield	5,140	.80	.78	.75	.75
No	.12	.03	Arno	3,800	.05½	.06	.05½	.05½
1	.31	.06½	Ashley	3,320	.08½	.09	.07	.09
1	.07½	.03¾	Astoria Rouyn	37,500	.05	.06	.05	.06
1	.11¾	.05½	Bagamac	192,300	.08½	.10	.08	.09½
1	2.00	1.40	Bankfield	91,220	1.80	2.00	1.69	2.00
1	.10	.03½	Barry Hollinger	96,300	.05	.05½	.04¾	.04¾
1	.42	.14	Base Metals	61,657	.34	.30	.28	.28
No	1.84	1.20	Beattie Gold	34,175	1.37	1.38	1.30	1.37
1	.59	.30	Beaufor	38,500	.41	.42	.40	.41
1	2.00	1.25	Bidgood Kirk	85,519	1.39	1.80	1.43	1.60
1	.76	.46	Big Missouri	92,497	.54	.61	.54	.57
1	.36½	.13	Bobjo	33,050	.23½	.26	.23	.23
1	.58	.34	Bouscadillac G.M.	36,125	.45	.52	.45	.50
No	9.00	5.55	Bralorne	960	8.80	8.90	8.65	8.70
1	.40	.10	Brasil Gold	3,100	.11½	.12½	.10	.10
1	.14½	.02	Brett Trethewey	12,600	.10	.10	.08½	.08½
50c.	.25½	.09	B.R.X. Gold	1,200	.11	.10	.10	.10
1	.16	.07	Brownlee	12,000	.08½	.09	.07½	.08
1	12.00	3.80	Buffalo Ankerite	8,155	10.50	12.00	10.25	11.25
No	.13	.02	Buffalo Can.	9,500	.04	.04	.03½	.03½
5	37.00	27.50	Bulolo Gold	1,535	28.25	28.75	28.00	28.50
No	.18	.06	Bunker Hill	6,800	.13	.14	.13	.13
No	1.50	.95½	Can. Malartic	25,584	1.38	1.42	1.35	1.38
1	2.10	1.15	Cariboo Gold	3,125	1.75	1.84	1.75	1.80
1	.38	.02	Cartier Malartic	646,025	.21	.38	.20	.37
1	1.69	1.18	Castle Trethewey	19,147	1.25	1.37	1.30	1.35
1	.58	.11½	Cen. Manitoba	63,200	.20	.23	.10	.20
1	4.90	2.41	Cen. Patricia	53,290	3.80	4.35	3.80	4.25
1	.59	.30	Cen. Porcupine	153,550	.32½	.41½	.31	.41
No	2.46	1.50	Chromium	43,770	1.67	1.98	1.68	1.68
No	.09¾	.03	Church M. & Mill	13,500	.03½	.03½	.03	.03
No	.14	.03	Clericy	15,000	.07	.07	.05½	.06
5	8.00	2.25	Coast Copper	14,263	5.75	8.00	5.75	7.50
1	.04	.01½	Cobalt Contact	58,500	.02	.03½	.02	.03½
5	4.25	2.80	Coniagas	750	3.25	3.25	3.10	3.20
No	2.75	1.70	Coniaurum	25,148	1.80	2.17	1.75	2.12
1	2.86	1.10	Con. Chibougamau	300,499	2.22	2.82	2.20	2.65
25	75.87	51.00	Cons. Smelters	35,368	70.25	75.87	70.37	75.87
1	1.75	1.10	Darkwater	42,225	1.52	1.75	1.50	1.61
No	61.25	41.75	Dome Mines	2,340	53.50	56.00	53.50	55.75
1	.09½	.04	Dom. Explorers	11,900	.05	.08½	.07	.08
1	.48	.43½	Dorval Siscoe	32,274	.....	.48	.43½	.48
1	.10½	.04	Duparquet	30,500	.05	.05½	.05	.05½
1	1.17	.52	East Malartic	159,540	.97	1.10	.94	1.06
1	1.83	.80	Eldorado	283,380	1.37	1.83	1.35	1.82
No	12.87	6.90	Falconbridge	32,273	11.75	12.87	11.75	12.50
1	.10	.03	Federal	24,800	.06½	.06½	.05½	.06½
No	2.24	.10	Francoeur Gold	112,505	.86½	1.17	.85	1.10
1	.41	.19	Glenora	264,860	.19	.29	.19½	.25
No	1.45	.74	God's Lake	46,172	.79	.81	.75	.78
1	.49	.14½	Goldale	178,003	.34	.42	.34	.40
50c.	.54	.12	Gold Belt	800	.14	.13½	.12	.12
1	.26½	.06	Goodfish	14,709	.08½	.09	.08	.09½
1	.24	.03	Graham Bosquet	24,900	.18	.19	.15	.19
1	.40	.17	Granada Gold	18,015	.30½	.33	.29	.33
No	.15	.05¾	Grandora	4,700	.07½	.07½	.06½	.07½
1	.93	.21	Greene Stabell	200,700	.48	.55	.46	.51
1	.09	.04	Groselle	......	(.05½ bid .07 asked)			
1	.16	.08	Grull Wihksne	3,100	.14	.14	.14	.14
1	1.20	.75	Gunnar Gold	125,640	1.05	1.18	1.03	1.03
1	.10½	.02	Halcrow Swayze	7,000	.04	.04½	.03½	.04
1	3.63	.30	Hard Rock	143,509	3.07	3.40	2.99	3.20
1	.26	.07	Harker	64,700	.18½	.19	.17½	.18
5	17.25	12.00	Hollinger	14,917	13.50	14.00	13.00	13.75
1	1.00	.55	Howey Gold	34,990	.68	.75	.67	.73½
No	31.87	22.87	Hudson Bay	42,391	29.00	31.87	29.25	31.25
1	14.25	10.75	Inter. Mining	......	(11.00 Oct. 9)			
1	4.50	2.75	Do., Pur. Warr.	200	2.75	4.00	4.00	4.00
No	65.00	43.50	Int. Nickel	52,854	62.75	65.00	62.75	64.25
1	.80½	.28½	J. M. Cons. Gold.	158,455	.42	.58	.42	.55
1	.75	.40	Kerr Lake	70	.60	.55	.55	.55
1	1.75	.30	Kirk. Hud. Bay	15,625	1.03	1.23	1.04	1.18
1	.94	.40	Kirkland Lake	70,525	.59½	.65	.56	.64
1	.12	.03½	Kirk. Premier	......	(.08½ Aug. 11)			
1	.31	.14¾	Kirk. Townsite	15,000	.16½	.17½	.15	.17
1	.88	.55	Laguna	11,900	.81	.85	.82	.82
No	.21	.03	Lake Maron	362,650	.11	.13½	.11½	.12¾
1	60.00	51.75	Lake Shore	6,516	55.25	59.00	55.00	57.37
1	.47	.05	Lamaque Contact	76,065	.17	.18	.14½	.17
1	1.38	.70	Lava Cap	14,100	.81	.94	.75	.89½
1	.29½	.12	Lebel Oro	92,921	.21	.21½	.19½	.19½
1	.15	.02½	Lee Gold	45,400	.05	.05½	.05	.05½
No	7.75	5.70	Little Long Lac	27,450	6.80	7.25	6.75	7.15
1	5.90	3.12	Macassa	67,546	5.00	5.90	4.45	5.90
1	.07	.01½	Malrobic	25,006	.03½	.03½	.03½	.03½
No	.47	.12	Mandy	163,910	.38	.47	.37½	.38
No	.30	.05½	Man. & Eastern	81,450	.13½	.16½	.13	.14½
1	.30	.05½	Maple Leaf	11,250	.20	.21	.18	.21
1	.60	.35	May Spiers	46,950	.50	.51	.45½	.47
5	49.25	38.00	McIntyre	6,450	41.00	43.75	41.00	42.75
1	2.24	1.22	McKenzie R.L.	46,925	1.73	1.80	1.68	1.75
1	.65	.45	McKinley	......	(.63 bid 1.00 asked)			
No	5.05	3.40	McLeod Cockshutt	82,263	4.30	4.80	4.25	4.75
1	.15	.03	McMillan	105,700	.09½	.09½	.08½	.09
No	1.78	.92½	McWatters	73,575	1.03	1.12	.92½	1.09
1	.42	.19	McVittie	23,600	.19½	.21	.19½	.20½
5	2.50	.50	Mentor Exp. & Dev.	......	(1.50 bid 2.50 asked)			
No	2.75	1.10	Mining Corp.	21,792	2.20	2.68	2.25	2.46
No	1.00	.07½	Minto Mines	29,900	.21	.35	.20	.32½
1	.16½	.03	Moffatt Hall	60,600	.03½	.05½	.03½	.05½
1	.85	.51	Morris Kirk	28,160	.71	.74	.70	.72
1	1.93	.06½	Moneta	289,275	1.85	1.88	1.62	1.72
1	2.05	.25	Montague	1,200	.75	.40	.25	.40
1	.09	.00¾	Murphy	87,200	.04½	.05½	.04½	.05½
No	.08	.02	Newbec	254,400	.05	.07	.05½	.06½
1	1.40	1.00	New Golden Rose	8,250	1.06	1.14	1.05	1.09
1	.06½	.01½	Night Hawk Penn.	24,500	.03	.03½	.02½	.03½
5	3.05	2.30	Nipissing	5,210	2.40	2.55	2.41	2.50
No	73.00	44.50	Noranda	27,983	69.50	73.00	69.75	72.38
No	.63	.28½	Nor. Canada	12,050	.50	.51	.44	.50
1	.18	.09½	Norgold	32,400	.11	.11½	.09½	.11
1	8.80	.34	O'Brien	136,263	7.20	8.80	7.20	8.75
1	.85	.40	Omega	46,862	.54	.65	.54	.60
1	.24	.07	Osisko	4,450	.18	.24	.19	.19
No	5.20	3.11	Pamour	21,155	3.75	3.85	3.50	3.74
1	.48	.18	Parkhill	119,500	.25	.32	.24	.27
1	.46	.30	Paulore	258,800	.31	.46	.30	.43
1	.11	.02½	Pawnee Kirk	65,600	.05½	.06½	.05	.05½
1	1.23	.50½	Paymaster	112,779	1.16	1.23	1.14	1.23
1	1.30	.65	Pend Oreille	99,605	1.20	1.30	1.10	1.20
1	1.95	1.12	Perron Gold	24,700	1.65	1.67	1.54	1.61
1	.04½	.02	Peterson Cobalt	37,800	.02½	.03½	.02½	.03½
1	7.60	3.95	Pickle Crow	26,740	6.25	6.95	6.20	6.90
1	12.00	6.70	Pioneer Gold B.C.	8,505	6.95	7.05	6.70	6.85
1	.15	.04	Porcupine Crown.	33,900	.08½	.09	.08½	.08½
1	1.65	.95	Powell Rouyn	119,875	1.58	1.65	1.45	1.54
1	3.56	1.80	Premier Gold	22,025	3.05	3.15	2.99	3.04
1	2.25	.21	Preston E. Dome.	32,550	1.30	1.35	1.25	1.31
No	3.25	1.50	Prospectors Air's.	1,200	1.80	1.80	1.50	1.50
1	1.40	.59	Quebec Gold	9,300	.60	.75	.62	.75
No	.11	.02	Quemont	6,420	.05	.11	.08	.08
1	4.45	1.43	Read Authier	26,498	3.90	4.45	3.95	4.30
1	2.55	.50	Red Lake	63,530	1.99	2.01	1.80	1.82
1	1.46	1.00	Reno Gold	45,070	1.24	1.40	1.23	1.38
1	.13½	.01	Ritchie	133,500	.05	.09	.04½	.08
1	.09	.04	Robb Montbray	110,450	.06½	.07½	.06½	.06½
1	.76	.05½	Roche Long Lac	164,090	.25	.32	.25	.26
1	3.45	1.60	San Antonio	22,513	2.25	2.30	2.10	2.20
1	1.16	.75	Shawkey	64,100	.80	.82	.77	.80
50c.	.97	.56	Sheep Creek	5,700	.80	.83	.80	.80
1	2.95	1.00	Sherritt Gordon	452,023	2.57	2.95	2.50	2.63
1	5.10	2.87	Siscoe	48,135	4.40	4.70	4.35	4.50
1	1.30	.42½	Sladen Malartic	72,460	1.00	1.09	1.00	1.04
1	6.25	4.40	South Amer. Gold	......	(5.05 Sept. 24)			
No	.08½	.03½	South Tiblemont.	15,300	.03½	.04	.03½	.03½
No	.89	.18½	Stadacona	572,262	.61	.89	.59	.89
1	.38½	.15	St. Anthony	61,200	.16½	.22	.16	.20
No	6.40	3.00	Sudbury Basin	34,030	6.00	6.40	5.95	6.00
1	.34	.06	Sudbury Contact.	86,065	.31	.32	.29	.30
1	.07½	.02½	Sudbury Mines	43,750	.03	.03½	.03	.03
1	2.50	.83	Sullivan Cons.	48,773	1.94	1.95	1.89	1.91
1	3.65	2.25	Sylvanite	38,820	3.01	3.65	3.00	3.55
1	.68	.14	Tashota	66,350	.16	.18	.14	.17
1	6.70	4.30	Teck Hughes	31,708	5.15	5.25	5.10	5.15
1	1.50	.37½	Thomp. Cadillac	110,830	.90	.98	.85	.87
1	.27	.02	Timiskaming	15,300	.18	.18	.16	.17
1	4.45	1.20	Toburn Gold	12,177	3.80	4.15	3.80	3.85
1	1.30	.20	Towagmac	121,010	.91	1.30	.90	1.10
1	.80	.20	Treadwell	3,600	.40	.80	.50	.75
No	3.00	1.60	Ventures	148,265	2.85	3.00	2.77	2.93
No	2.49	1.00	Waite Amulet	102,967	2.29	2.49	2.20	2.36
50c.	.21	.03	Wayside	49,950	.09½	.09	.08	.08½
No	.06	.03	White Eagle	203,500	.03½	.05½	.03	.05½
1	.10	.03	Wiltsey Coughlan	38,200	.06	.08½	.06½	.06½
1	.12	.04	Wood Kirkland	......	(.10½ Oct. 28)			
No	9.00	7.50	Wright-Hargreaves	37,364	7.60	7.90	7.65	7.80
No	.71	.38	Ymir Girl	5,300	.40	.40	.38	.38
			OIL STOCKS					
No	.18½	.09½	Acme Gas & Oil	80,656	.10½	.15	.10½	.14½
1	.70	.40	Ajax	18,050	.41	.50	.45	.47
No	2.00	.70	Calgary & Ed.	96,575	1.40	2.00	1.38	1.98
1	.40	.05	Calmont	45,084	.20½	.40	.24	.37½
No	.21	.04½	Common Pete	17,450	.15	.21	.14½	.19½
No	.98	.36	Dalhousie	94,995	.71	.98	.71	.95
No	.13½	.06	Eastcrest	43,000	.08½	.13	.08½	.11
No	.70½	.30	Foothills	7,250	.30	.60	.50	.55
No	.31	.10	High Sarcee	107,000	.12	.22	.12	.17
No	1.51	.70	Home	124,205	1.05	1.51	1.04	1.36
1	.81	.11	Homestead O. & G.	108,200	.45	.55	.46	.53
No	.80	.75	Hunter Valley	5,425	.75	.80	.75	.80
	.23½	.15	Do., Warrants	23,500	.15	.23½	.15	.15
No	.24½	.07	Lowery	133,200	.12	.24½	.15	.24
No	.24	.10	Merland	48,400	.11	.18	.11	.15
5	.26	.10	Nordon	62,510	.13	.15	.13	.15
No	.07	.03	Oil Selections	17,100	.04½	.05½	.04½	.05½
No	.15	.06	Olga Gas & Oil	48,920	.07	.08½	.07	.08½
1	.80	.52	Petrol Oil & Gas	100	.70	.70	.70	.70
No	39.50	26.00	Royalite	13,093	28.50	35.50	29.00	34.25
No	.25	.04	South West Pete.	5	.25	.20	.20	.20
No	2.50	1.45	Texas Can.	82,425	2.10	2.45	2.10	2.40

VANCOUVER STOCK EXCHANGE

Par Val.	Range 1936 High	Low	Company	Sales	Close Nov. 2 (or last)	High for week	Low for week	Close Nov. 9
1	.09	.01½	Alexandria Gold	......	(.03 bid .05 asked)			
25c.	.01	.00½	Bayview	8,000	.00½	.00¾	.00½	.00¾
20c.	.05	.01½	Beaver Silver	70,500	.02	.02½	.02	.02½
1	.76	.46	Big Missouri	21,250	.55	.59	.55	.57
25c.	.01½	.01	Bluebird	......	(.01 Oct. 15)			
No	9.00	5.60	Bralorne	3,145	8.80	8.90	8.75	8.75
1	.10	.03	Bridge River Cons.	3,200	.04	.04	.04	.04
50c.	.25½	.08½	B.R.X. Gold	7,150	.11	.12	.10	.12
50c.	.18	.09	B. R. Mountain Gold	......	(.... bid .11 asked)			
1	.54	.17½	B. C. Nickel	18,400	.37	.39	.37	.37
1	2.95	1.50	B. C. Silver	575	2.50	2.95	2.55	2.95
50c.	.12½	.04	Canadian Rand	5,350	.05	.04½	.04	.04
1	2.05	1.15	Cariboo Gold	1,900	1.70	1.80	1.72	1.80
1	.30	.06½	Congress Gold	39,300	.07½	.11	.07	.10½
25c.	.00½	.00½	Cork Province	......	(.00½ bid .00¾ asked)			
1	.04	.02	Cotton Belt	......	(.02 June 24)			
1	.03½	.01	Dalhousie Mines	......	(.01 bid .01½ asked)			
No	.36	.10½	Dentonia	25,000	.11	.14	.10½	.12
No	.08½	.01½	Dictator	16,000	.03	.04	.02½	.03
1	.07	.02	Dunwell	300	.03	.03	.03	.03
No	.09½	.03	Fairview Amal.	73,933	.08½	.08½	.07½	.08½
50c.	.80	.35	Fawn Mining	2,100	.69	.70	.69	.70
1	.18½	.02½	Federal Gold	80,700	.04	.04½	.03½	.04½
1	.43	.15	George Copper	4,200	.35	.43	.35	.40
50c.	.05½	.02	George Enterprise	1,000	.02	.04	.04	.04
1	.02½	.01	Georgia River	9,400	.01½	.01½	.01½	.01½
50c.	.02½	.01	Glacier Creek	......	(.01 bid .... asked)			
1	.24	.09	Golconda	12,300	.14	.15	.14	.15
50c.	.54	.10	Gold Belt	6,300	.10	.15	.13	.15
50c.	.18	.05	Gold Mountain	13,200	.12	.13	.11½	.13
50c.	.04½	.02	Grandview	43,800	.04½	.04½	.03½	.04½
No	.07½	.01½	Grange Mines	39,000	.02½	.03½	.02½	.03½
1	.15½	.07	Grull Wihksne	25,300	.12½	.13	.12	.12½
No	.05½	.00½	Halda Gold	10,000	.00½	.00½	.00½	.00½
50c.	.32	.15	Hedley Amal.	4,450	.17	.17	.15	.17
No	.05	.03	Hedley Sterling	......	(.03 June 22)			
No	.08	.02	Home Gold	6,500	.03	.03½	.03	.03½
1	.02	.00½	Independence	......	(.00½ bid .01 asked)			
1	.03	.01½	Indian Mines	13,500	.01½	.03	.02½	.03
50c.	1.85	.95	Island Mountain	6,150	1.30	1.37	1.28	1.30
1	.21	.18	Inter'l Coal	2,000	.21	.21	.21	.21
50c.	.10½	.05½	Inter'l Gold	23,800	.09	.08½	.08	.08½
50c.	.93	.30	Kootenay Belle	7,000	.84	.90	.85	.89
20c.	.01½	.00½	Koot. Florence	5,000	.00¾	.01½	.00¾	.01½
25c.	.00¾	.00½	Kootenay King	......	(.00½ bid .... asked)			
25c.	.00¾	.00½	Lakeview	12,000	.00¾	.00½	.00½	.00½
10c.	.02½	.01	Lucky Jim	10,000	.02½	.02½	.02½	.02½
No	.14½	.02½	Mak Siccar	4,000	.02½	.02½	.02½	.02½
50c.	.00½	.00½	Marmot Metals	6,000	.00½	.00½	.00½	.00½
1	.20	.12	McGillivray Creek	......	(.18 bid .22 asked)			
50c.	.14½	.02	Meridian Min.	600	.02	.03	.02	.03
No	.94	.07	Minto Mines	216,250	.19½	.35	.19½	.31
No	.05	.01½	Morning Star	19,000	.02½	.02½	.02½	.02½
1	.01	.00½	Morton Woolsey	18,000	.00¾	.01	.01	.01
25c.	.03½	.02	National Silver	......	(.02½ Oct. 6)			
50c.	.22½	.07½	Nicola	25,200	.12	.12	.11½	.11½
50c.	.05½	.02	Noble Five	81,100	.04½	.04½	.03½	.04½
1	1.26	.65	Pend Oreille	15,690	1.18	1.26	1.15	1.20
No	.09	.02	Pilot Gold	30,000	.04	.05½	.04	.04½
1	11.85	6.70	Pioneer Gold	10,226	7.00	7.00	6.70	6.80
50c.	.07	.04	Porter Idaho	17,700	.06	.06½	.05½	.06½
No	.01½	.00½	Premier Border	1,000	.00½	.01	.01	.01
1	3.52	1.80	Premier Gold	18,915	3.01	3.10	3.00	3.05
1	.05½	.01	Quatsino Copper	75,675	.03½	.05½	.03½	.03½
25c.	.13½	.05	Quesnelle Quartz	4,000	.07	.08	.08	.08
50c.	.05	.04	Red Hawk	......	(.04 June 19)			
1	.09½	.02	Reliance	116,500	.02	.03½	.02	.03½
1	.50	.26	Relief Arlington	8,000	.38	.39	.37½	.38
No	.15	.05	Reeves McDonald	5,650	.15	.15	.10	.12
1	1.50	1.00	Reno Gold	10,800	1.25	1.39	1.25	1.36
1	.15	.02	Reward Mining	45,700	.05	.07½	.05	.06½
1	.02½	.00½	Rufus Argenta	53,900	.02½	.02½	.01½	.02
1	.03	.01	Ruth Hope	......	(.01½ July 15)			
1	.15	.07	Sally Mines	8,500	.12	.12	.10	.12
50c.	.13½	.08	Salmon Gold	3,500	.08½	.08½	.08½	.08½
50c.	.97	.55	Sheep Creek	11,550	.81	.81	.80	.81
1	.03	.02	Silverado	2,000	.02½	.03	.03	.03
25c.	.08	.03	Silvercrest New	6,000	.06	.03	.03	.03
20c.	.02½	.01	Silversmith	42,000	.02	.02½	.01½	.02
50c.	.01	.00½	Snowflake	3,000	.00½	.01	.00¾	.00¾
1	.54	.35	Standard Silver	500	.36	.41½	.41½	.41½
1	.30	.10	Sunloch	2,131	.27	.30	.27	.27
10c.	24.25	16.50	Sunshine	......	(17.00 Sept. 22)			
No	.24	.06½	Taylor Bridge	1,100	.07	.08	.07	.08
1	.21	.07	Taylor Windfall	......	(.... bid .14 asked)			
50c.	.04½	.01½	United Empire	27,500	.02½	.02½	.02	.02
No	1.88	.65	Vidette Gold	3,950	1.27	1.27	1.10	1.10
No	.08½	.00½	Viking Gold	11,000	.01½	.01½	.01½	.01½
No	.06½	.01	Waterloo Gold	12,000	.01½	.01½	.01½	.01½
50c.	.01½	.00½	Waverley Tangier	14,500	.00¾	.00½	.00½	.00½
50c.	.20½	.08	Wayside	8,700	.08½	.09	.08	.08½
20c.	.02	.01	Wellington	11,000	.01½	.02	.01½	.01½
50c.	.28	.19	Wesko	23,000	.25	.25	.23	.24½
1	.06½	.02½	Whitewater	18,000	.05	.05½	.04½	.05½
No	.69	.39	Ymir Yankee Girl	400	.40	.40	.39	.39
			OIL STOCKS					
1	.23	.09	Alta. Pac. Cons.	50,679	.17	.23	.17½	.21
1	.15	.04	Amalgamated	26,640	.11	.11	.09	.09½
1	.09	.02½	Anaconda	118,321	.06	.08	.05½	.07
No	.12	.02	Associated	450	.06	.06	.06	.06
No	.05	.02	Baltac	15,000	.04	.05	.04	.05
1	.43	.09½	Brit. Dominion	16,278	.19	.25	.19	.21
No	2.08	.70	Calgary & Ed.	60,987	1.38	2.08	1.38	2.08
1	.42	.05	Calmont	76,275	.26½	.39	.27	.39
1	.15	.05	Crow's Nest	22,700	.10	.11	.09½	.09½
No	.96	.36	Dalhousie	23,431	.73	.96	.74	.94
No	.05½	.02	Devenish	11,790	.05	.05	.05	.05
No	.12½	.04½	Freehold	71,350	.08½	.12	.08	.10
No	.26	.04	Hargal	124,991	.15	.26	.15	.23
No	.38	.09½	High Sarcee	46,700	.11	.19½	.11	.17
No	1.46	.70	Home Oil	17,595	1.03	1.42	1.01	1.35
No	.03½	.01	Madison	107,650	.02½	.03½	.02½	.03½
No	.20	.11½	Marlon Oil	31,300	.15½	.17	.13	.15
No	.16	.05	McD. Segur Ex.	129,470	.11	.16	.11½	.16
1	.75	.20	McLeod	19,475	.23	.75	.27	.67
No	.18½	.10½	Mercury	46,625	.10½	.15	.11½	.14
No	.24	.09	Merland	14,000	.10½	.14	.11½	.13
No	.15	.08	Mill City Pete.	2,800	.11	.13	.10½	.13
1	.42	.20	Model	34,000	.28½	.42	.30	.37
5	.26	.10	Nordon	20,500	.13	.16	.14	.14
No	.63	.04	Okalta	167,650	.28½	.63	.30	.62
No	.10	.04½	Pacalta Oil	217,900	.07	.10	.07	.09½
1	.82	.34	Ranchmen's	4,600	.36	.45	.36	.39
No	39.50	26.25	Royalite	363	28.75	35.00	30.50	34.00
No	.30	.04	South West Pete.	1,000	.20	.30	.28	.28
1	.27	.09	Spooner	450	.15	.16	.16	.16
No	.12	.05	United	56,395	.09½	.12	.09½	.12
No	.10½	.04½	Vanalta	14,500	.06½	.08½	.06	.08
1	1.06	.10	Vulcan	15,591	.84	1.06	.85	1.00
1	.08½	.07	Wellington Oil	......	(.08½ June 22)			

Week in Wheat

Bearish News Rules World Wheat Marts

Favorable Reports from Argentine and United States Offset Short Yields in Australia and Diminishing Canadian Supplies

From Our Own Correspondent

WINNIPEG.—Predictions of the United States Department of Agriculture furnished a mildly bearish factor in the wheat market this week. In what is regarded as an effort to check undue expansion of spring wheat acreage, Washington forecast lower United States wheat prices next year, based on a possible surplus domestic production. Such a course might put Chicago prices on an export basis and the present 42-cent duty would be offset.

As against this announcement was the official estimate of the Australian wheat crop at 130 million bushels, or substantially less than a year ago. The steady reduction in the visible supply of Canadian wheat is not yet producing the expected effect on market sentiment. Liverpool is more interested immediately in the prospect for the Argentine harvest, and expected heavy sales from that country within the next few weeks. Market action suggests no serious frost damage yet to Argentine wheat, which is still in the critical period.

Neglect July Option

OBSERVERS are trying to account for the fact that the July future on the Winnipeg market is selling at a discount under the May. Canadian wheat is likely to be quite scarce at the beginning of July and if any fireworks occur in the market it probably will be in that month. But overseas buyers are not yet interested in the more distant delivery. Technically the May option is, for the present, in the stronger position, as much of the holdings of the Canadian Wheat Board are believed to be in that month. The market does not expect the board to switch any holdings to July, but rather to liquidate. This expectation of sale, even though holdings are comparatively small, has had some bearish effect.

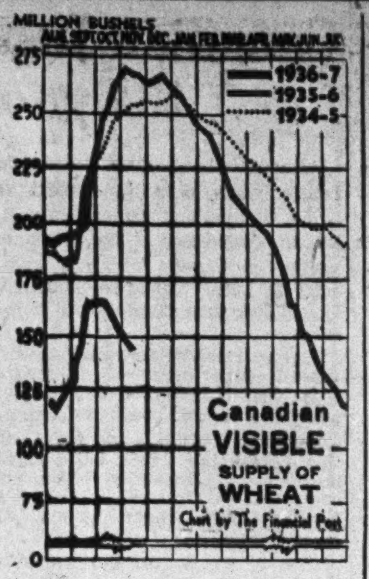
While the July option offers attractions to the speculator, because it can be bought at a discount, instead of at a carrying charge, and because of possibilities of action, importers overseas and exporters on this side of the Atlantic are paying more attention to possible trade immediately before the close of lakes' navigation and immediately after its opening next May.

* * *

Port Troubles Speed Exports

SOME degree of increase in overseas purchases of wheat for immediate shipment is attributed to fears that U. S. Pacific Coast port troubles may spread to the Atlantic. If so, it would interfere with the shipment of Canadian wheat from New York. If trouble should continue after the close of navigation on the Great Lakes, it would tax the capacity of Halifax and Saint John to ship Canadian wheat at any adequate rate.

Eastern Canadian ports have been favored for grain destined for Great Britain, which cannot be transshipped at Buffalo and subsequently forwarded so as to escape the British duty of two shillings a quarter on foreign wheat. Enquiries at Vancouver are picking up on account of the situation, but some members of the trade are apprehensive over possibility of shipping troubles extending north.



MOVING OUT

With export clearances again over the six million bushel mark last week, Canadian wheat in marketable positions is shrinking fast. During the same week country deliveries totalled less than three million bushels resulting in a net reduction in carryover of almost exactly the same amount. Present visible is now more than 120 million bushels below this time a year ago.

Canadian Visible

Week of Nov. 6	Last Week	Last Year
148,958,000	153,509,000	269,166,000

Export Clearances*

Week of Nov. 6	Last Week	Last Year
6,039,476	6,009,160	5,403,873

*Plus U. S. imports.

* * *

Argentine Sets Pace

AT PRESENT daily fluctuations in wheat prices can be attributed mainly to shifting views as to the outcome of the Argentine crop. The world market is currently discounting a production of 200 million bushels, or practically an average crop. Any considerable variation in either direction would influence prices.

Some big advance sales of Argentine wheat have been made to British millers, but more, it is thought, to Continental countries. Once or twice Liverpool has shown some alarm over reports that Italian purchases have reached a high level.

* * *

U. S. Prospects

IF NEAR normal wheat yields are obtained from the present prospective acreage in the United States, it is estimated by the Bureau of Agricultural Economics at Washington that a wheat crop considerably in excess of domestic needs will be produced in 1937.

"The acreage seeded to wheat for 1936 was the second largest on record," states the Bureau. "With prices higher than at seeding time last fall and with sufficient moisture for seeding and germination over practically all of the winter wheat area, it seems likely that 1937 wheat acreage will at least be as large as that of 1936. Production, in this event, will exceed average domestic utilization unless growing conditions are so unfavorable as to reduce the yield 25% or 4% below average. There is nothing in the present situation that indicates so great a reduction."

DIVIDEND NOTICES

NORANDA MINES, LIMITED

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of $1.75 per share, payable in Canadian funds, has been declared by the Directors of Noranda Mines, Limited, payable December 22nd, 1936, to shareholders of record at the close of business December 1st, 1936.

By order of the Board.

T. N. HAY,
Secretary.

Toronto, November 9, 1936.

CANADA WIRE & CABLE COMPANY

DIVIDEND NOTICE

Notice is hereby given that a Dividend of $2.75 per share has been declared on the arrears of dividends of the outstanding Preference Shares of this Company, payable December 23rd, 1936, to shareholders of record December 1st, 1936.

By Order of the Board,

WILLIAM H. MARSH,
Secretary.

Imperial Oil Limited

DIVIDEND

NOTICE TO SHAREHOLDERS AND THE HOLDERS OF SHARE WARRANTS

Notice is hereby given that a semi-annual dividend of twenty-five cents (25c) per share and a special disbursement of thirty-seven and one-half cents (37½c) per share, both in Canadian currency, have been declared and that the same will be payable on or after the 1st day of December, 1936, in respect to the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of Coupons No. 46 to any Branch of:

THE ROYAL BANK OF CANADA,
in Canada.

The payment to Shareholders of record at the close of business on the 13th day of November, 1936, and whose shares are represented by registered certificates of the 1929 issue, will be made by cheque mailed from the offices of the Company on or before the 30th day of November, 1936.

The transfer books will be closed from the 14th day of November to the 30th day of November, 1936, inclusive, and no Bearer Share Warrants will be "split" during that period.

Under The Income War Tax Act of the Dominion of Canada a tax of 5% is imposed on all persons who are non-residents of Canada in respect of all dividends received from Canadian debtors, and such tax must be withheld at the source. The above tax will be deducted from all dividend cheques mailed to non-resident shareholders and the Company's Bankers will deduct the tax when paying the dividend to or for the account of non-resident shareholders on presentation of coupons. Ownership certificates will be required by the paying Bankers in respect of all dividend coupons presented for payment by residents of Canada.

Stockholders resident in the United States are advised that a credit for the 5% Canadian tax withheld at source is allowable against the tax shown on their United States Federal income tax return. If it is desired to claim such credit on the return the United States tax authorities require the receipt or certificate of the Canadian Commissioner of Income Tax for such payment. In order for the taxpayer to secure such proof from the Canadian Commissioner it is necessary for the United States stockholder to submit, at the time of cashing his dividend coupon, an ownership certificate on Canadian form No. 601. Only in this way can the Canadian Commissioner identify the withheld Canadian tax with the specific recipient of the dividend in order to furnish the necessary individual receipt. If Forms No. 601 are not available at local United States banks, they can be secured by requesting the same from the Company's office or at any branch of The Royal Bank of Canada, in Canada.

By Order of the Board,

F. E. HOLBROOK,
Secretary.

56 Church Street,
Toronto, Ontario.

A.J.Pattison, Jr. & Co. Limited
Established 1907
For twenty-nine years we have rendered a Standardized Service to
BANKS, INSURANCE AND TRUST COMPANIES, BROKERS,
INDUSTRIAL CORPORATIONS AND INDIVIDUALS
IN BUYING AND SELLING
INDUSTRIAL AND PUBLIC UTILITY STOCKS AND BONDS
Royal Bank EL. 5101 TORONTO

DIVIDEND NOTICES

The Bank of Toronto

Dividend No. 221

Notice is hereby given that a Dividend of Two and One-half per cent upon the Paid-up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its branches on and after the first day of December next to shareholders of record on November fourteenth, 1936.

The Annual Meeting of the shareholders will be held at the Head Office of the Bank on Wednesday, the Twentieth day of January next, the chair to be taken at noon.

By Order of the Board.

H. B. HENWOOD,
General Manager.

CONSOLIDATED DIVERSIFIED STANDARD SECURITIES

LIMITED

Dividend No. 9

NOTICE is hereby given that a dividend of 37½ cents per share on the outstanding fully paid non-cumulative redeemable First Preference shares has been declared, payable December 15, 1936, to shareholders of record December 1, 1936. Transfer books will be closed from December 1 to December 15, 1936, inclusive.

By Order of the Board,

A. G. TIERNEY, Sec.

P.S.—Dividends accruing on fully paid shares not as yet registered in the company's stock records shall be set aside and paid only when registration shall have been completed.

RELIANCE GRAIN COMPANY LIMITED

PREFERENCE DIVIDEND No. 36

NOTICE is hereby given that a dividend for the quarter ending November 30, 1936, at the rate of 6½% per annum, will be paid on December 15th, 1936, to all preference shareholders of record at the close of business on November 30th, 1936.

By order of the Board,

A. W. GIBB, Secretary.

Winnipeg, November 6, 1936.

Canadian International Investment Trust, Limited

PREFERRED DIVIDEND No. 12

Notice is hereby given that a dividend of 2½% has been declared payable on the 5% Cumulative Preferred Stock of the Company, payable on December 1st, 1936, to shareholders of record at the close of business on November 16th, 1936.

By Order of the Board,

G. V. RYCKMAN,
Secretary.

Montreal, November 9th, 1936.

DIVIDEND NOTICES

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 286
EXTRA DIVIDEND NUMBER 32

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 1st day of December, 1936, to shareholders of record at the close of business on the 16th day of November, 1936.

Dated the 9th day of November, 1936.

I. McIVOR,
Assistant-Treasurer.

International Petroleum Company, Limited

Notice to Shareholders and the Holders of Share Warrants

NOTICE is hereby given that a semi-annual dividend of 75c. per share and a special disbursement of 50c. per share, both in Canadian Currency, have been declared, and that the same will be payable on or after the 1st day of December, 1936, in respect to the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of coupons No. 46 at:—

THE ROYAL BANK OF CANADA,
King and Church Streets Branch,
Toronto, Canada.

The payment to Shareholders of record at the close of business on the 20th day of November, 1936, and whose shares are represented by registered Certificates of the 1929 issue, will be made by cheque, mailed from the offices of the Company on the 30th day of November, 1936.

The transfer books will be closed from the 21st day of November to the 1st day of December, 1936, inclusive, and no Bearer Share Warrants will be "split" during that period.

The Income Tax Act of the Dominion of Canada having been amended, effective April 1st, 1933, to provide that a tax of 5% shall be imposed and deducted at the source on all dividends payable by Canadian debtors to non-residents of Canada, the above mentioned tax will be deducted from all dividend cheques mailed to non-resident shareholders and the Company's Bankers will deduct the 5% tax when paying coupons to or for account of non-resident shareholders. Ownership Certificates will be required by the paying Bankers in respect of all dividend coupons presented for payment by residents of Canada.

Shareholders resident in the United States are advised that a credit for the 5% Canadian tax withheld at source is allowable against the tax shown on their United States Federal Income Tax return. If it is desired to claim such credit the United States tax authorities require evidence of the deduction of said tax. In order to secure such proof Ownership Certificates (Form No. 601) must be completed in duplicate and the Bank cashing the coupons will endorse both copies with a certificate relative to the deduction and payment of the 5% tax and return one Certificate to the shareholder. If Forms No. 601 are not available at local United States banks, they can be secured from the Company's office or the Royal Bank of Canada, Toronto.

By Order of the Board,

J. R. CLARKE,
Secretary.

56 Church Street, Toronto 2, Canada.
9th November, 1936.

To Lay Bare Grain Trade From Start

Coming Enquiry To Go Back Over 30 Years

SASK. POOL HOSTILE?

From Our Own Correspondent

WINNIPEG.—Copies have been received in Winnipeg of the tentative agenda for the proceedings of the Turgeon Grain Commission which is to open in Winnipeg Dec. 1.

As a foundation for the enquiry an exhaustive statistical survey of the grain trade since 1905 is to be presented. This is to cover the activities of the regular stages of the trade in Canada including the elevator, export branches and the Winnipeg Grain Exchange as an institution as well as trade in other countries.

Specific Points

After this general survey there is to be a specific enquiry into the following:

1. The activities of the Board of Grain Supervisors during the War.

2. The experience of the Canadian Wheat Board of 1919.

The development of the Wheat Pool movement since 1923 and the actual experience of the Pool in handling and exporting grain.

3. Stabilization operations of 1931 to 1935.

4. The Canadian Wheat Board which was set up by legislation in 1935 and its experience both under the McFarland Board for a few months and since Dec., 1935, under the chairmanship of J. R. Murray.

Probe New Markets

In connection with each one of these the Board indicates that enquiry is to be made into efficiency in relationship to exports and the effect of its procedure on wheat markets. A general survey is then provided for the reason for decline in wheat exports during the recent years and what steps are possible with a view to enlarging markets.

In addition to the above the Commission has several other subjects to enquire into, including the charges made against the Murray Wheat Board of "protecting the shorts" last December and also the tangled state of affairs between the Saskatchewan Government and the Wheat Pool organization in connection with purchases of oats for seed and feed relief. Mixing and protein segregation of wheat are also to be investigated.

Not a Rehash

Reports from Manitoba and Alberta indicate that farmers are not very much concerned about the Board and no great pressure from volunteer witnesses is expected when the Commission holds its sittings in Regina, Saskatoon, Edmonton and Calgary. This, however, is no handicap to the success of the enquiry.

Previous grain enquiries have been largely devoted to investigation of actual or alleged grievances of farmers in connection with the internal grain machinery of the country, relating mainly to grading or elevator handling. While the scope of the Commission's authority is wide enough for it to cover any such matter that it might choose to investigate, the assumption is that it will not cover the ground that has been thoroughly canvassed by previous enquiries.

Saskatchewan Hostile?

In Saskatchewan, however, there is emerging a feeling, doubtless arising out of the particular dispute that has occurred between the Saskatchewan Wheat Pool and the C.C.F. on one hand and the Federal Government on the other with respect to Wheat Board operation of the current year, that the Commission may have something of the nature of a hostile enquiry into the Wheat Pool. In some quarters at least a disposition is evident to discount the work of the Commission in advance, on the assumption that it may report adversely on the results of the Pool experiment. This feeling, however, seems confined to Saskatchewan only.

Detroit & Canada Tunnel Reorganization Approved

Formal approval of the plan of reorganization for Detroit & Canada Tunnel Co. has been given by Federal Judge Arthur J. Tuttle in the United States District Court at Detroit. Trustees for the bondholders have been instructed to set up a new operating organization.

The new board of directors as approved by Judge Tuttle are as follows: George R. Cooke, Detroit; Jules G. Hoffman, Fred T. Murphy and John McKinley, Chicago; John B. Aylesworth, Windsor.

DIVIDEND NOTICES

The Bank of Nova Scotia

Dividend No. 268

Notice is hereby given that a Dividend of three per cent on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of December 16th, and that the same will be payable on and after Saturday, the second day of January next, at any of the offices of the Bank in Canada.

By order of the Board.

H. F. PATTERSON,
General Manager.

Halifax, N.S., November 10th, 1936.

DIVIDEND NOTICE

Northern Canada Mining Corporation, Limited

Notice is hereby given that an interim dividend of Two Cents (.02c.) per share on the outstanding capital stock of the Corporation has been declared by the Directors of the Corporation payable December 1st, 1936, to shareholders of record at the close of business on November 20th, 1936. The Canadian five per cent (5%) tax will be deducted from dividends paid to non-residents.

Shareholders are particularly requested to see that certificates held by them are properly registered on the books of the corporation. As mentioned above, the dividend is payable to shareholders of record on November 20th, 1936. Our transfer agents are The Trusts and Guarantee Company, Limited, 302 Bay Street, Toronto, Ontario.

By Order of the Board,

H. F. CASSIDY,
Secretary.

Toronto, 20th October, 1936.

U. S. Cattle Outlook Favors Canadian Exports

Two recent developments in United States augur well for Canadian cattle producers. The overwhelming victory of President Roosevelt guarantees the continuation of the present Canadian-United States trade agreement under which a market for approximately 225,000 head of Canadian cattle at half the regular duty is assured. It is estimated Canada only needs an export outlet for about this number of cattle to stabilize the domestic situation.

See Good Export

The second favorable development is the recent survey of livestock numbers in United States which indicates that meat supplies during the early part of 1937 are expected to be the smallest in 15 years. The decrease in cattle numbers since early 1934 has been largely in the areas most severely affected by the droughts of 1934 and 1936.

Recent high prices have stimulated production where this is possible but feed supplies and feed outlook are by no means yet sufficient to guarantee the raising of young animals to maximum market weights. Should range and pasture conditions in 1937 be favorable, however, there will be a strong tendency on the part of cattle raisers in those areas to restock and increase their herds. Such an expansion or rather a revival of cattle breeding, of course, would compete with animals going to the stockyard and would substantially divert a portion back to the farms in the drought areas, thus restricting further the immediate meat supply.

High Hog Prices

Any early increase in cattle numbers, too, will be considerably offset by reduced hog supplies for the next two years. The present high prices of pork products in the United States are expected to continue until 1938 at least and these high prices will have the effect of turning more people and more consumers to the use of beef, strengthening the market for the latter and thus again favoring continual importation from Canada.

While the Canadian cattle quota to United States is now filled and exports for the balance of 1936 will be charged the regular duty, a new quota for approximately 225,000 head will open with Jan. 1 next.

Flour-Wheat Exports Gain

Value Per Unit Far Exceeds Previous Year's Shipments

Increased prices continue to feature the Canadian export flour trade. Though total shipments for October were the lowest for this month in the last four years, on the other hand the total value was the best. Price per barrel was up 54 cents above a year ago. Compared with September this year export showed a gain of nearly 90,000 barrels and value was 32 cents per barrel higher.

For the year ended with October total shipments were almost 200,000 barrels ahead and value was up by more than $2 millions.

Flour Exports

October	Average Price	Barrels	Total Value
1936	$4.54	464,013	$2,108,920
1935	4.00	501,442	2,009,200
1934	3.95	486,549	1,922,401
1933	3.66	514,388	1,886,070
Sept., 1936	4.22	378,318	1,599,748
12 Months ended October			
1936	$4.13	4,935,332	$20,421,670
1935	3.82	4,756,996	18,196,449
1934	3.56	5,174,382	18,451,763
1933	3.34	5,073,536	16,996,229

Wheat exports show very large gains over October in the three previous years and also in the price per bushel. Compared with September of this year last month's figures are also substantially ahead.

For the year to the end of October total volume is up nearly 75 million bushels over a year ago and almost $75 millions in value.

Wheat Exports

October	Average Price	Bushels	Total Value
1936	$1.07	26,917,096	$28,949,549
1935	.88	28,919,421	25,473,602
1934	.83	21,807,784	18,095,542
1933	.68	23,611,510	16,116,162
Sept., 1936	.99	20,720,316	20,582,258
12 Months ended October			
1936	$0.87	232,923,952	$202,814,644
1935	.82	158,159,469	129,880,316
1934	.75	172,409,000	129,606,374
1933	.60	206,710,915	124,552,788

Australian Crop Estimate Lower Than Anticipated

First official Australian wheat estimate places the coming crop at 129.5 million bushels. This compares with 142 millions a year ago and 10 millions below recent private estimates. Deducting 50 million bushels for domestic requirements and allowing for present normal carryover, an export of 80 million bushels is estimated for the current season. Volume shipments should commence in January.

Record Wheat Acreage In Southwest United States

Winter wheat acreage in the southwestern section of United States is estimated at 29 millions or nearly 8% above a year ago.

In several states, notably Kansas and Oklahoma a record seeding is estimated.

Indebtedness Cut By Pool Elevators

Saskatchewan Organization Reports Improvement

From Our Own Correspondent

REGINA. — Consolidated balance sheet of the Saskatchewan Wheat Pool and subsidiaries as prepared by George A. Touche & Co., reveals an improvement in working capital of over $500,000 after providing for new buildings worth $80,000.

This consolidated statement covers operations of the parent company and the Saskatchewan Pool Elevators, Ltd., the Saskatchewan Pool Terminals, Ltd., and the Modern Press, which at Saskatoon publishes The Western Producer.

Saskatchewan Pool Elevators Ltd., commercial reserves amounting to $6.5 millions are shown as having $3 millions in liquid form compared with $2 millions a year ago. Undivided profits after deducting payments of principal made to the provincial government on account of 1929-30 over-payment liability are shown as $709,380. This amount is stated as being sufficient to cover the 1937 payment and to leave a reserve to cover any part of payment due the government in 1938.

Growers' equity in the parent company has increased a little more than 2% to almost 50%. Principal liability against the equity is the payment to the province for the $13 millions advance owing to 1929-30 over-payment. This account now stands at $11.7 millions.

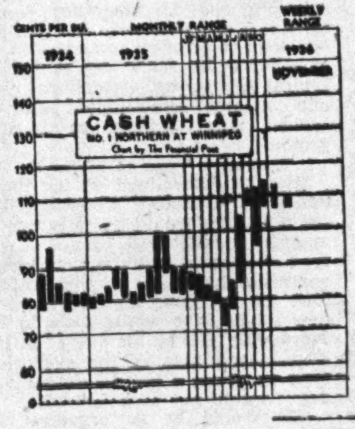
Pool Terminals, Ltd., operating earnings after depreciation amounted to $414,164.

Western Producer Shows Loss

Statement covering the Modern Press Limited, which publishes the Western Producer reports this unit to be run at a loss. After providing depreciation and making provision for doubtful accounts operations show a loss of $49,048. This compares with a net loss of $43,701 for the previous year. Net deficit for the year is charged to the parent company.

Western Producer's circulation at July 31 was given as 101,749 copies some 60,160 of which are in Saskatchewan.

Wheat Prices



(Cash Quotations)

	For Week Nov. 10		Prev. Week	
1 Man. Hard	1.15⅞	1.08¾	1.14⅝	1.12⅝
1 Northern	1.10	1.07⅝	1.11⅛	1.06⅝
2 Northern	1.08⅝	1.06⅛	1.10⅜	1.05¼
3 Northern	1.05⅝	1.03⅜	1.07⅝	1.02⅜
4 Northern	1.03⅝	1.01⅛	1.05⅝	1.00⅜
5 Wheat	.98⅞	.96⅝	1.00⅝	.95⅝
6 Wheat	.93⅞	.91⅝	.95⅝	.90⅝
Feed Wheat	.77⅞	.75⅝	.81⅝	.75⅝
Vancouver: Week to Nov. 9:				
1 Northern	1.08⅝	1.05⅝	1.10	1.06

Competitive Export Prices:
Nov. shipment.

Week to Nov. 7

	High	Low
No. 1 North. (Vanc.)	1.25	1.23⅝
No. 2 North. (Atlan.)	1.24¼	1.22¼
No. 3 North. (Vanc.)	unquoted	
Danubian	1.08½	1.07¾
Australian (afloat)	1.32	1.30¼
Australian▲	1.21⅛	1.18
Argentine Rosafe†	1.07⅛	1.05⅝
Indian (choice Karachi)	1.21¼	1.18

†Jan.-Feb. ▲Dec.

Winnipeg Grain Futures

Week to Nov. 10, 1936

Crop year from Aug. 1, 1936 High	Low		Open Nov. 4	High for week	Low for week	Close Nov. 10
		Wheat				
1.14⅛	1.04⅞	Nov.	1.08⅛	1.10⅛	1.07⅝	1.07⅝
1.12⅝	.93⅛	Dec.	1.05½	1.07¼	1.04⅞	1.06
1.14⅛	1.06	May	1.06⅞	1.08⅝	1.06	1.06⅛
1.06⅞	1.04¼	July	......	1.06⅞	1.04¼	1.04⅜
		Oats				
.46⅞	.42¾	Nov.	.44¼	.45⅜	.43¼	.43¼
.48¼	.41⅛	Dec.	.43⅛	.44⅞	.43	.44¼
.48¾	.42⅛	May	.44	.45¾	.44	.44⅞
.44⅛	.43⅜	July	.....	.44¼	.43⅜	.44¼
		Barley				
.63⅞	.55⅛	Nov.	.59	.63¼	.59	.61¾
.63⅛	.50⅛	Dec.	.57½	.61⅝	.57¼	.60¼
.61⅞	.50⅞	May	.56½	.58⅞	.56⅝	.57
		Flax				
1.62	1.39½	Nov.	1.61	1.62	1.59⅛	1.59½
1.83	1.59¼	Dec.	1.60	1.62	1.59¼	1.59½
1.73¾	1.62	May	1.64	1.63¾	1.62	1.62⅞
		Rye				
.72½	.66⅞	Nov.	.68½	.72½	.68½	.71¾
.72	.61⅝	Dec.	.68	.71⅝	.68	.70⅝
.72½	.63⅝	May	.69⅞	.71¾	.68¾	.69¾

Borden's

COMMON DIVIDEND
No. 107

A quarterly dividend of forty cents (40¢) per share has been declared on the outstanding common stock of this Company, payable December 1, 1936, to stockholders of record at the close of business November 14, 1936. Checks will be mailed.

The Borden Company
E. L. NOETZEL, Treasurer

The Canadian Bank of Commerce

Dividend No. 199

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1936, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st December next, to shareholders of record at the close of business on the 31st October, 1936. The Transfer Books will not be closed. By Order of the Board.

S. H. LOGAN,
General Manager.

Toronto, 16th October, 1936.

GRAIN MERCHANTS In World Trade
Owning and Operating
Terminal Elevator at Port Arthur
(Capacity 5,500,000 bushels)
Over 200 Elevators in Western Canada
EST. 1857
SHIPPERS & EXPORTERS
JAMES RICHARDSON & SONS Limited
WINNIPEG REGINA MONTREAL MOOSE JAW VANCOUVER SASKATOON TORONTO CALGARY KINGSTON EDMONTON

SEARLE GRAIN COMPANY
LIMITED
Country Elevators — Commission Merchants — Future Orders — Domestic and Steam Coal — Flour and Feed
OFFICES:
WINNIPEG — EDMONTON — CALGARY
FORT WILLIAM — VANCOUVER
SEARLE TERMINAL LIMITED
WINNIPEG - FORT WILLIAM

RELIANCE
GRAIN COMPANY LIMITED
Owners and Operators Country Elevators and Terminals
Exporters and Shippers
SMITH, MURPHY CO. INC.
510 PRODUCE EXCHANGE, NEW YORK
Head Office: 919 Grain Exchange, Winnipeg
Branch Offices: Toronto and Vancouver

N. M. PATERSON & COMPANY LTD.
Own and Operate
One Terminal Elevator in Fort William
109 Country Elevators
Total Storage Capacity 6,925,000 bus.
31 Vessels on the Great Lakes
Total Carrying Capacity 4,500,000 bus. per trip
Head Office: FORT WILLIAM, ONT.

A Complete Investment and Trading Service
STOCKS .... BONDS
GRAIN ..... MINES
MELADY, SELLERS & CO. LTD.
Grain Exchange WINNIPEG Phone 92709

FEDERAL GRAIN LIMITED
OPERATING TERMINAL ELEVATORS FORT WILLIAM - PORT ARTHUR VANCOUVER
423 COUNTRY ELEVATORS THROUGHOUT THE WEST
101 COAL SHEDS
Our Service and Facilities Guarantee Satisfaction

NATIONAL ELEVATOR CO., LTD.
WINNIPEG, MAN.
COUNTRY ELEVATORS IN THE WESTERN PROVINCES TO SUPPLY SELECTED OATS, BULK OR SACKED, FOR LAKEHEAD SHIPMENTS FOR EASTERN TRADE
WINNIPEG, CALGARY, EDMONTON, PORT ARTHUR

The Book About OILS
Size 6" x 9".
Over 200 Pages.
Price Per Copy $1
The Financial Post SURVEY OF CANADIAN OILS, 1937, ready for you November 16, will contain authentic and up-to-the-minute data about Canadian Oils, including oil and natural gas companies and syndicates. Every oil field in Canada will be covered. Clear, concise information respecting every operation, details of properties, drilling contracts, royalties, etc., will be given. Maps and charts will illuminate the text.
Delivery of your copy guaranteed if your order is received NOW in advance of publication.
THE FINANCIAL POST, 481 University Ave., Toronto, Canada.
Send me postpaid immediately upon publication .... copies of The Financial Post SURVEY OF CANADIAN OILS, 1937.
Herewith $.......... in payment.
NAME ....
ADDRESS 728

Select an Insurance Company that you know is conducted on safe, approved lines. Your ultimate protection depends upon it. We suggest consideration of this Society's one hundred and one years of service, enterprise and success.

Est. 1835

UNION INSURANCE SOCIETY OF CANTON LIMITED

Fire
Auto
Accident
Burglary
Guarantee
Liability

ASSETS $31,000,000.00
Head Office—Toronto
COLIN E. SWORD, *Manager for Canada*
J. W. BINNIE, (Montreal) *Associate Manager*

Predicts Lower Rate On Edmonton Schools

Edmonton Public School Board may expect a reduction in insurance rates when existing contracts expire at the end of the year, according to R. J. Crighton of the Western Canada Insurance Underwriters' Association.

It was explained that the board is currently paying a higher rate for protection than other types of civic buildings and also more than on school property in Calgary because of greater risk of fire damage. Under its present contract, the board is paying 75 cents per $100, 15 cents more than the city "key" rate, and 20 cents more than that paid by the Calgary School Board.

British Columbia Extends Reciprocal Deposit Laws

British Columbia has introduced an amendment to its insurance act to apply sections referring to reciprocal deposits of insurers to Saskatchewan. Saskatchewan has enacted similar provisions.

The purpose of the amendment is to enable companies incorporated under provincial legislation to transact insurance in more than one province although maintaining a deposit only in the province where its head office is situated. A provincially licensed company is thus enabled to do business on terms as favorable as companies under federal charter.

Does your Fire Insurance PAY DIVIDENDS?

BRANCHES:
Toronto
Hamilton
Ottawa
Montreal
Quebec City
St. John
Halifax
Winnipeg
Saskatoon
Calgary
Edmonton
Kelowna
Victoria
Vancouver

Under the Northwestern Mutual plan, the annual surplus or profit is paid back to policyholders in the form of dividends. These amounted last year to $1,098,428. Ask our nearest office for particulars.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
Non-Assessable Policies Assets $6,000,000

"Canada's Largest Fire Mutual"
The WAWANESA MUTUAL INSURANCE CO.
Ranks 3rd against all companies on total volume of fire business written in Canada
FIRE WINDSTORM SPRINKLER LEAKAGE AUTOMOBILE
LIABILITY DOCTORS' AND DENTISTS' LIABILITY PLATE GLASS
Head Office—WAWANESA, Man.
Eastern Office—341 CHURCH ST., TORONTO, Ont.
Branches also at Vancouver, B.C.; Edmonton, Alta.; Regina, Sask.; Winnipeg, Man.; Montreal, P.Q., and Moncton, N.B.

ESTABLISHED IN 1850 ÆTNA SYMBOL OF SECURITY

The Ætna Life Insurance Company, writing Life, Group, and Accident insurance, has been a Canadian institution since 1850 . . .

CALGARY • MONTREAL • TORONTO • VANCOUVER • WINNIPEG

THE DOMINION LIFE ASSURANCE COMPANY
HEAD OFFICE • WATERLOO . ONTARIO
Give your boy or girl a real start in life with a Life Insurance Estate. Details of this Character Building plan are described in our booklet "GOOD COMPANIONS." Write for free copy.
FIRST POLICY ISSUED 1889

The Independent Order of Foresters
Monthly Income During Disability

Certificate Plan B: Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 60th birthday, or, payment in the event of death.

In addition, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.

The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.

FRANK E. HAND, *Supreme Chief Ranger.*
HEAD OFFICE, TEMPLE BUILDING, TORONTO, CAN.

A MUTUAL COMPANY
NORTH AMERICAN LIFE
Solid as the Continent
HEAD OFFICE — Toronto, Canada
ALL PROFITS FOR POLICYHOLDERS

THE MANUFACTURERS LIFE INSURANCE COMPANY

Maintains Your Home

IT IS not enough to leave your family a home. Every month there must be income to maintain it. This income can be provided best through Life Insurance.

HEAD OFFICE
TORONTO, CANADA
Established 1887

Penny Urges New Plan In Underwriters' Pay

Agency Director of Sun Life Predicts Change in Present System of Remuneration

SUGGESTS SALARY PLUS COMMISSION

A basis of remuneration for life insurance agents built on a salary plus commission plan (both new and renewal) appears to offer the best solution to present-day problems in the business, according to a challenging address delivered this week at the annual meeting of the Life Agency Officers Association by W. S. Penny, newly appointed director of agencies for the entire world-wide Sun Life organization.

"I believe our present system is faulty," said Mr. Penny, "and that a plan somewhat along these lines will be the one in general use in the near future."

Mr. Penny made it clear he was expressing his personal opinion, rather than that of the company he represents. He urged steps be taken by individual companies to establish "experimental laboratories" in a branch or small group of branches to try out this radical departure. If these were successful, the plan could gradually be extended, instead of imposing a theoretical plan throughout an entire organization without first trying out its practical applications.

"Undoubtedly we have advanced a great deal from the days when an agent was given a rate book with a blessing and sent away to do the best he could. That certainly was the age when the doctrine of the survival of the fittest predominated. We have come a long way in the matter of educating and equipping our agents to service the public adequately and serve the institution of life insurance.

Agency Set-up Obsolete

"Admitting all these, however, I doubt if we have achieved comparable progress with the other branches of life insurance administration. In many respects, however, our organization methods and remuneration plans appear to have remained unchanged and we have accepted as a permanent part of our policy those ideas which have been handed down from generation to generation.

"It may be, of course, that the present system of compensation for agents is the best that can be employed taking all things into consideration. However, the time appears most appropriate to take stock of our methods in order to see if there may not be a better way of accomplishing our objectives.

Advantages to Company

"From the point of view of a company there is the advantage of a direct relationship between the remuneration paid an agent and the work which he accomplishes both in the way of production and the maintenance of business in force. It is really a piece-work method of payment. It automatically limits the company's cost assuming that the commission stipulated in the contract is all that is being paid for the business.

"It permits large scale employment without increasing directly the ratio cost in proportion to business secured. In other words, it is the easiest way to pay an agency force because it makes little difference from a cost angle whether an individual agent is successful or otherwise.

Advantages to Agents

"From the agent's point of view the present basis of reward has the advantage of making his income directly reflect his success. Undoubtedly this is a worth-while factor. It gives him freedom of action. He is under no obligation, except in a most modest way, to fulfil any set requirements. His time is more or less his own and as we frequently and mistakenly boast, 'he is his own boss.' The present contracts also make possible the building of a substantial estate in the form of renewals—a back log for an agent against many contingencies.

"Taking it by and large it will be seen that our present method of remunerating agents has much to commend it, especially to the successful agent.

Its Disadvantages

"A disadvantage in the present system is the control factor or rather the lack of it. Once an appointment has been made, a very short story tells the rest of the tale. The new agent is given education in varying degrees, a rate-book, a pat on the back and he is told to sally forth. If he is successful it is a feather in the manager's cap. If he is not successful the manager gets no feathers but he develops additional grey hairs while the man disappears from the business. A lucky break in one case—a bad break in the other.

"I am not blaming our managers or general agents. We are the ones to blame. We are the creators of our agency policy; we are the ones to whom our managers look for direction—if we are not giving that direction, then there is nobody to blame but ourselves. Although the occasional manager may suffer as a result of this policy of ours, in the last analysis it is the agent who takes the rap because of our lack of proper foresight and provision to take care of him properly.

Reasons for Failure

"About 95% of all agents who are unsuccessful are weaker when they leave than when they entered the business. Failure of this sort in anything cannot help but break down in varying degrees a man's self-confidence. Their reason for failure can be traced to one or all of three things—lack of proper original selection, lack of proper direction or inability to subsist until our work and their ability have been given a fair trial. Only a small proportion of failures are due to latent defects or lack of ability.

"We have supplied no method for controlling the movements of an agent, we don't know where he has gone or why he is going there. I submit that the lack of control is in great measure due to our present system of remunerating the agent and is therefore one of the disadvantages of that system. We all need this control factor whether we are agents in the field or salaried employees.

Fundamentals of the Plan

"What then is an alternative?

"In any new plan for remunerating agents certain fundamentals must be observed.

1. "There should be stability of income, or at least it must have a foundation of stability.
2. "The remuneration must be such as will offer a definite inducement to attract men into our business and must be adequate to compensate an average success.
3. "We must be able to compete on a basis of earnings with other lines of endeavor.
4. "It should make some provision for the agent in his old age and also provide, if possible, for disability during his productive years.
5. "It must bear some reasonable relationship to results achieved.
6. "A certain minimum unit of work must be established and a corresponding unit of reward determined, and the reward must be based on what is required of the agent.
7. "It necessarily will have to offer some inducement for better than average results.
8. "It must stimulate a man's ambition, so that realizing his opportunities, he will try to develop for greater earnings.

Pros and Cons

"Taking all those requirements into consideration, a basis of remuneration built on a salary plus commission, (new and renewal) plan appears to offer the best solution.

"This solution, which I am sure is not new, has certain disadvantages. The first is the difficulty of determining the whole basis of remuneration—how much salary should be paid and how much commission? Should the salary be fixed or should it increase with results? Should it be permanent or should it be made to disappear gradually as the agent becomes more successful? What should be the relationship of the complete remuneration to the business produced? Can a plan of supervision and control be developed which will enable the company to avoid wide variation in the ratio of agents' remuneration to new premium income?

"Summing up the disadvantages, they would appear to mainly consist of a larger exposure to increased cost of operation.

"There are two decided advantages in the new plan. It will undoubtedly result in a more careful selection of agents. There will be a more rapid elimination of the unsuccessful, resulting in a smaller but more compact group of successful agents yielding higher total results. I feel sure no manager would undertake to carry on an unsuccessful man to whom he would have to pay a salary.

Putting Plan Into Practice

"What are the necessary steps we should take in seeking a solution to the problem? The wise course, therefore, appears to be one which would establish an experimental laboratory in a branch or small group of branches in a section which could be closely supervised.

"In order to avoid any possible conflict with the existing agency force, it is suggested new branches be established for this purpose. In selecting the territory for these tests, it is also recommended that an endeavor to secure a cross-section of experience be made by taking a typical city set-up, a combined city and country environment and a typical rural branch as testing grounds.

Executive Type of Manager

"Having determined on the location of the laboratory or laboratories, the next task would be to secure a manager for each such branch of the type who could and would put into operation the policy we wish to follow. He would be a product of the new school who would have to be thoroughly sold on the new idea. He would be a man of the executive type to whom a certain amount of detail would not be abhorrent.

"He would be an organizer in every sense of the word, as well as a director. If possible he should be a man who enjoys research. He would be somewhat hard-fisted and hard-headed and not the haphazard, enthusiastic, and somewhat easy-going salesman type with whom we are all too familiar. In other words he would be a type of man with qualifications and characteristics quite different to those commonly found and generally accepted as the proper qualities for our present managerial material.

New Method of Operation

"Having secured the right type of manager to carry out this task, our next step would be to set out his plan of operation for him. His task would be pretty much the same as that of the present manager up to the point of launching the agent into the field, with this exception, that much of his early training would be along definitely practical lines of instructing the man how to work, where to go and how to act when he gets there.

"From that time on, the similarity would end. For this manager would keep a very close check on the movements of his agents, guiding them where to go, mapping out their work for them, thus preventing the present overlapping and waste of energy. He would analyze their results, check their work and generally supervise and direct them at all times. The agents would be furnished with contracts which call for a certain monthly salary with a certain amount of new and renewal commission built up according to plans worked out in conjunction with the Actuarial Department. The agent would be advised at the start and would understand that he was expected to do certain work, to achieve certain results, and if found incapable of delivering the goods, it would be agreed upon that his services would not be continued.

Careful Supervision

"Because this is a laboratory or a testing-ground, the results attained must be under very careful supervision by head office. As weaknesses in the system developed they would be altered. This applies both in regard to the method of remuneration and in the plan being followed by the manager. If the system of training laid down is not proving satisfactory, it would be amended.

"From such a system and providing the agency officers and officials of the company preserve a sympathetic and positive attitude toward the problem, a solution will undoubtedly be evolved which can then be applied to the whole organization. This extension of the new method, moreover, could be effected without the disrupting effects of frequent changes and without exposure to the too great loss which would undoubtedly be occasioned if the theoretical plan were adopted en bloc throughout a whole organization.

Present System Faulty

"I am aware of the fact that conditions through which we have passed and through which we are still passing are far from normal. I am one of those who believe that our present system is faulty and that a plan somewhat along the lines suggested will be the one in general use in the near future."

Shake-up in C.U.A. Regarded Unlikely

Possibility of a major shake-up in the Canadian Underwriters' Association in the near future is decidedly remote, according to insurance executives consulted by The Financial Post.

The association, a merger of "board" companies in the three fields of fire, automobile and casualty insurance, has now been in existence a full year. Many insurers, including members of the association itself, contend that the other than life insurance business is in no better, if as good, condition than a year ago.

Rumors of an impending drastic shake-up in the organization, with more strict application of regulations, have been going the rounds for some time. The deadline was set for this fall, according to these reports. It now appears likely that no action will be taken at present. One prominent insurer stated that in his opinion, there will be no important change within the organization for at least another year.

United States Fidelity & Guaranty Company
TORONTO

Canadian Insurers Write 13.8% of Fire Business

Although showing an increase in recent years both in respect to actual volume and percentage written, the proportion of fire insurance written in Canada which is transacted by purely Canadian companies is still less than one-seventh of the total.

Figures released last week by the federal department of insurance show that 21.32% of fire insurance premiums in 1935 were written by Canadian companies. However, of this percentage 6.21% represented business of companies which are controlled in Great Britain, and a further 1.31% those owned by foreign interests.

British firms have lost some ground over the last three years both to purely Canadian and foreign interests. They still write a majority of the business, although their margin over all other companies is almost at the vanishing point. British and British controlled companies wrote 50.08% of all Canadian fire business in 1935. Foreign companies, mostly owned by American interests, transacted 36.12%.

Comparative figures for the last three years, with percentages of total business are as follows. Premiums as shown in the table represent written business on a net basis, with deduction of registered insurance only.

FIRE INSURANCE WRITTEN IN CANADA

	1935 $	1934 $	1933 $	1935 %	1934 %	1933 %
Canadian:						
Purely Canadian	5,786,884	5,630,321	5,508,528	13.80	13.18	12.89
British controlled	2,601,650	2,776,748	2,933,211	6.21	6.50	6.86
Foreign controlled	551,181	749,738	708,217	1.31	1.76	1.66
Total	8,939,715	9,156,807	9,149,956	21.32	21.44	21.41
British	17,443,320	18,120,914	18,560,674	41.61	42.43	43.43
Foreign:						
British controlled	945,802	1,011,694	1,107,248	2.26	2.37	2.59
Other	14,595,824	14,419,081	13,920,210	34.81	33.76	32.57
Grand total	41,924,691	42,708,496	42,738,088	100.00	100.00	100.00

Hamilton Agents Retain City Cover

City Rejects Plan to Place Insurance Direct

Representations of Hamilton fire and casualty agents have effectively quashed proposals that the city's insurance be placed directly with Toronto companies, rather than through local agents.

In deference to the protests of the agents, the city scrapped a plan submitted by the city clerk whereby $3.8 millions of fire insurance on city buildings would be handled by the head office of 10 insurance companies. The plan, which, according to its sponsor, would have involved a considerable saving, was opposed by the agents despite the fact that they would still receive the customary commission. It was stated that they would lose prestige in not handling the business.

A similar plan was put forward in respect to insuring $7 millions of property coming under the jurisdiction of the Hamilton Board of Education. This was formerly carried in some 500 policies, placed through local agents. The policies expired recently and it was felt that revision of the system, whereby all business would be placed directly with 12 companies would effect material savings.

Agents approved the plan to drastically reduce the number of policies, but protested that the business should still be placed through them. Loss of influence as agents of the board, it was argued, might react on agents when other boards are appointed in the future.

New California Branch Opened by Canada Life

To extend its coverage of the State of California, Canada Life Assurance Co. has opened a new branch at Oakland. The new organization will be under the management of F. E. Bowen, who was formerly district manager for the company at Pomona, Calif.

C. H. Carpenter, branch manager for the company at Los Angeles, has been appointed supervisor for the State of California. In addition to his new responsibilities, he will continue the management of the Los Angeles branch, in conjunction with his assistant manager, Neil Burton.

FAMILY PROTECTION

The LONG VIEW

Make arrangements with the Sun Life Assurance Company of Canada for a monthly cheque to be sent to you if you live or to your family if you die.

Ask a Sun Life representative or write your nearest Sun Life office to give you full details of the Family Protection and Retirement Policy which is proving so popular.

This life insurance policy, combining in one contract all the basic services of life insurance and annuities, has been developed by the Sun Life of Canada.

It is complete and economical, the result of 65 years of insurance service.

If you die prematurely it provides:
(1) Cash to settle debts
(2) An income for your family
(3) An income for your wife

If you live to retirement age it assures:
(4) An income for yourself

SUN LIFE OF CANADA
OFFICES IN ALL IMPORTANT CENTRES

INSURANCE SERVICE THAT SATISFIES EVERYONE

PILOT service satisfies the insured and helps the agent. Eight company claims offices in Ontario — claims service elsewhere—covering automobile, fire, accident, teams, burglary, plate glass, cargo, elevator, general liability and fidelity and surety bonds.

HEAD OFFICE: 199 BAY ST. TORONTO

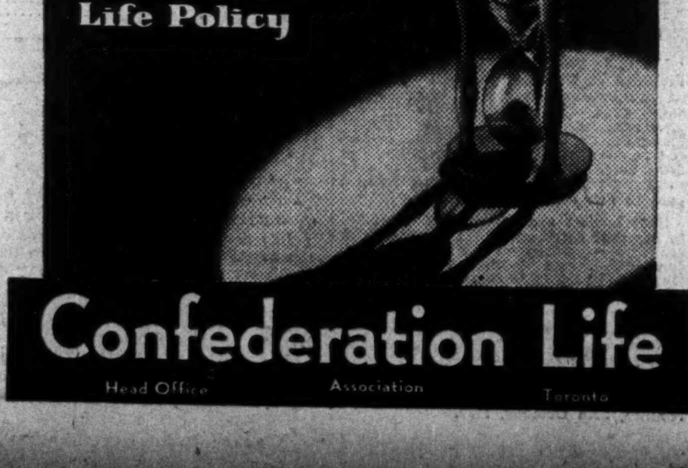
PILOT INSURANCE COMPANY

EMPIRE LIFE
INSURANCE COMPANY
KINGSTON, ONTARIO

ON A SOLID FOUNDATION

1871 1936
65 Years of Security and Stability to Policyholders

Every hour somebody benefits from a Confederation Life Policy



Confederation Life
Head Office Association Toronto

"Here's How I'm Fixed"

"THERE'S a big load off my mind since a London Life representative helped me plan my estate:

"Now, if I live to old age I'll enjoy a well-earned rest, with a good income.

"If I die earlier my wife will have a monthly cheque for life with which to keep herself and raise the children.

"If accident or disease lays me aside permanently, or even for a period of six months or more, I will get a monthly cheque. If I were still disabled at sixty-five most of my insurance would be paid to me in cash.

"If at any time I urgently need funds The London Life will lend me money on my policies.

"That's what I call real financial security.

"It gives greater enjoyment to life to know that my family affairs are all fixed for the future.

"If you are interested in planning YOUR family affairs I suggest that you ask a London Life representative to assist you. He has a wealth of experience from which to draw."

Established 1874
London Life Insurance Company
"Canada's Industrial-Ordinary Company"
HEAD OFFICE - LONDON, CANADA

Bank Chat

Home Improvements

EARLY reports from branch bank managers on activity under the home improvement loan programme indicate substantial volume of enquiries but a restricted number of loans actually made. It is, as yet, too early to advance any dogmatic comment on prospects. A number of those who have made enquiry will undoubtedly ponder the matter for a while before arriving at a definite decision. As a consequence, lending may lag.

Some managers believe that no extensive work will be undertaken under the government plan this fall, but that there will be a material volume next spring. Those who hold to this view contend it is late in the season to take on repair work. For instance, a considerable amount of repair to heating equipment might reasonably be expected under the scheme. However, it is unlikely that very many people will consider going without heat while the repairs are being made. That is, where furnaces have been lighted, it is probable repair work will be postponed until spring.

Rural managers have experienced a considerable number of enquiries regarding loans to repair farm buildings. And prospective borrowers of this class are at a loss to understand why barns and stables should not be included.

* * *

Treatment Differs

INTERPRETATION of instructions from head office in respect of the loans differs about as widely as do the instructions themselves. It is perhaps unfortunate, but almost inevitable, that the banks have been unable to reach a common lending policy. As a consequence, some head offices have issued instructions to actively push the loans; others to more or less passively deal with applications made to them.

In all instances, however, the banks are encouraging the loans, indirectly if not directly. Thus a manager who is not actively soliciting loans—as some of them have construed their instructions—may be co-operating with local construction men and manufacturers to put the programme across.

In the actual basis of granting the loans, there is also wide divergence of opinion. Many managers have stated they will deal with home improvement loans on a lenient basis. Just how lenient will depend on individual circumstances. Others hold the view that those whose credit is worth 85% of the loan are restricted to those who are good for the full amount and will deal with applications purely as ordinary advances.

* * *

American Election

NO VERY serious repercussions on American banks are expected as a result of the election last week. It will probably mean, however, that the banks across the line will be kept on the defensive for some time to come.

Roosevelt was faced with the great banking crisis shortly after taking office nearly four years ago. His administration brought relief to the situation which existed at that time, but at the price of almost complete dependence of the banks upon the treasury and Federal Reserve policy for maintenance of solvency and public confidence.

In referring to this subservience to national policies, the American Banker states:

> "Perhaps it is ungrateful for the cow that is saved from the wolves to object to be milked by the man who saved her; banking has also been accused of being ungrateful. It is probably more uncomfortable than ungrateful, for it has intelligence enough to distrust the way in which it is being fattened and milked. Looking forward to another four years of Roosevelt, bankers must recognize that their individual structures and their system will be preserved as long as they serve."

Weekly Bank Clearings

	Nov. 5 1936 $	Change Year Ago %	Oct. 29 1936 $
Halifax	2,003,506	— 1.9	2,148,053
Saint John .	2,157,348	+ 8.6	1,761,679
Moncton ...	894,154	+12.6	696,147
Sherbrooke .	683,681	— 2.5	554,193
Quebec	7,504,755	+15.4	4,247,588
Ottawa	28,723,917	+ 2.0	18,300,447
Kingston ...	665,304	— 2.7	510,258
Peterborough	703,922	— 5.7	538,504
Toronto	169,304,738	+42.9	109,780,124
Hamilton ..	5,492,513	+ 7.2	4,311,160
Kitchener ..	1,370,413	+12.7	982,285
Brantford ..	1,060,302	— 7.4	831,923
London	3,122,780	+ 0.02	2,241,811
Chatham ...	610,238	+30.9	476,250
Windsor ...	2,842,471	+16.5	2,461,529
Sarnia	503,501	— 7.7	366,540
Sudbury	95,272	+11.6	1,028,880
Montreal ...	178,077,234	+63.1	96,942,058
Fort William	905,476	+ 9.3	590,625
Winnipeg ..	71,478,956	+13.8	55,912,332
Brandon ...	451,700	+ 7.2	319,677
Regina	5,053,033	+ 3.7	4,977,005
Moose Jaw .	926,895	+ 2.1	752,816
Saskatoon ..	2,072,754	— 2.0	1,672,110
Prince Albert	457,867	+ 8.1	353,202
Edmonton .	5,288,256	+17.7	3,896,381
Calgary	6,300,780	—22.5	6,296,400
Medicine Hat	303,361	— 1.2	287,092
Lethbridge .	643,912	— 4.8	473,007
N. W'minster	792,212	+14.4	669,954
Vancouver .	21,466,917	+12.5	17,782,629
Victoria	1,922,821	— 3.4	1,419,323

Staff Changes

The Imperial Bank has announced the following changes in staff:

M. COOK, formerly at Edberg, Alta., to be manager at Donalda, Alta.

R. L. WASSON, formerly manager at Goodwater, Sask., to be manager at Midale, Sask.

A. MACMILLAN, formerly manager at Griffin, Sask., to handle special duties at Weyburn, Sask.

P. R. CARTER, formerly manager at Midale, Sask., to handle special duties at Assiniboia, Sask.

J. S. PROCTOR, formerly assistant manager, Toronto branch, to be first assistant manager, Toronto branch.

R. J. REDRUPP, formerly of head office inspection staff, to be second assistant manager, Toronto branch.

The Canadian Bank of Commerce has made the following staff changes:

G. SMITH, formerly manager at Parkdale, Toronto, to be an inspector in the superintendent's department, Halifax.

J. ADAIR, formerly assistant manager at Montreal, has retired.

J. C. HUTCHINSON, formerly manager at Brockville, Ont., to be manager at Parkdale, Ont.

The Dominion Bank has made the following appointment:

E. S. SWALLOW, formerly manager at Yonge and Gerrard St., Toronto, to be assistant manager at King and Yonge St., Toronto.

Expect Little Change In Imperial's Earnings

Lower Return from Commercial Loans About Offset by Higher Investment Income and Reduced Expenditures

If the experience of the Imperial Bank, as estimated by The Financial Post, is any criterion, it would appear that earnings of the Canadian chartered banks in the fiscal year which for most of them is just drawing to a close, will vary but slightly from those of a year ago.

As yet, no accurate figures are available from which to make an estimate. However, the Imperial, whose year ends Oct. 31, and whose record is generally regarded as a kind of weather vane pointing the earnings trend of the banks generally, would appear to have earned at worst only slightly under its 1935 total.

In view of sharp commercial loan contraction, this record is regarded as surprisingly good. It was achieved —as is expected will be the case with most of the banks—because reduced interest payments on deposits and swollen security holdings just about offset the lower loan total, and the reduced return both on loans and a portion of securities.

Estimate Based on Returns

The prediction that earnings will show little material change from a year ago is based largely on an estimate made by The Financial Post from average monthly figures for the first 11 months of the year as submitted to the minister of finance at Ottawa. The annual report of the bank is not expected for about two weeks yet, and until it appears, any calculation of profits must be in the nature of a rough estimate.

Profits from ordinary banking operations are in the main influenced by four factors: Loans, investments, deposits and operating expenses. That is, from revenue received from the first two must be deducted the cost of the bank's money and actual administrative expense as represented by the last two. Foreign business, letters of credit, and the various phases of banking activity cannot fail to be reflected in earnings, of course, but their influence is less important. In the case of the Imperial this is particularly so, as it has no foreign branches. On the whole, it is fairly safe to take the four chief items named above as presenting a representative picture of earnings prospects.

Deposits Higher

Public deposits of the Imperial Bank in 1936 averaged about $8 millions more than in the previous year. This increase was almost equally divided between savings and current balances. The former advanced from an average of $79.2 millions to $83.3 millions, and the latter from $25.5 millions to $29.8 millions.

Throughout 1935, 2% was paid by the banks on savings deposits. Current accounts yielded somewhat less —some none at all. At the beginning of 1936, interest on current accounts was eliminated, and on June 1, 1936, interest on savings was cut to 1½%. Thus, despite the increase in volume of deposits, it seems probable that the bank has been required to pay materially less.

Pare Administrative Costs

Costs of administration have also shown some reduction, it is believed. Most stringent application of service charges—although the Imperial has not been as active in this regard as have some of the other banks—will likely have meant some saving. Economies have also been effected in other lines of bank activity.

From the above, it would appear that expenses of the bank, both for its money and for administrative purposes, have been brought to a figure materially under that of the previous year.

On the other side of the earnings picture, the sky is not quite so bright. Current loans, the most lucrative source of income have dwindled further. Continuing the abrupt downward trend of the preceding five years, 1936 was featured, in a banking sense, by a sharp contraction in commercial lending. Loans of this nature made by the Imperial Bank in 1936, as gauged by average outstanding totals at month ends, were $52.6 millions. This compares with $57.5 in the previous year. From the banker's angle, it is encouraging to note that an increase was apparent toward the end of the fiscal year.

Not only was the loan volume lower over the year; so also was the return on the loans made. Although an accurate estimate is difficult because of the various types of loan, it would appear reduction in interest effected during the year on commercial advances was something about ½%. That is, if 6% is taken as a representative lending rate in 1935, revenue from loans this year would be about $500,000 lower.

Other loans, principally those on call and those made to governments and municipalities actually increased over the year. In 1936 the average was $18.4 millions as against $17.4 millions in the previous year. On balance, it might be expected that the increase in volume may offset the reduced interest charged.

Expand Security Holdings

Holdings of securities, chiefly Dominion government issues, have shown the greatest individual change. As a consequence, the trend toward liquidity at the expense of earnings has been continued.

Last year, the Imperial's average holdings of securities were $36.1 millions, well under the commercial loan total of $57.3 millions. In 1936, holdings increased to $46.3 millions, much nearer the loan figure of $52.5 millions. In fact, in the late months of the year, the value of securities held materially exceeded commercial advances. It is probable, however, that the Imperial's record during the year of average commercial loans exceeding investments will be exceptional in 1936 banking experience.

Yield on Investments

To attempt an accurate approximation of investment income over the year is well nigh impossible. The average yield on high-grade government bonds has declined by about ½% to some 3.2%. That cannot be construed that investment income of the banks has shrunk in a similar manner, however. In the bank's portfolios are securities which have been held for a number of years, the return on which has not been affected by the decline in interest rates in the last few years. It is only on the more recently purchased bonds, and on those which have replaced refunded issues that income has been hit.

It is likely, therefore, that the $10.2 millions increase in holdings of the Imperial Bank will mean a substantial increase in revenue. Allowing for the lower yield on a portion of the securities, it might not be far wrong to estimate that some $250,000 to $300,000 will accrue from this source.

Note Issue Less Important

Note issue, which, with extension of Bank of Canada circulation, is becoming a less important phase of banking operations, declined further in 1936, as was anticipated. In any event, revenue from note issue has been seriously curtailed by low interest rates. Imperial circulation averaged $6.2 millions in 1936 as against $6.9 millions in 1935.

On balance, it would appear reasonable to suggest that a decrease of some $500,000 in loan revenue has almost been offset by an increase in investment income, of between $250,000 and $300,000, by reduction in interest paid on deposits and by various economies effected in administration.

There is a factor, not connected with ordinary banking transactions, which may have some bearing on the year's financial results in comparison with the previous year. In 1935, the cost of the new head office building at Toronto, $750,000, was written off. About $250,000 of this amount is understood to have been covered by an appropriation from profit and loss; the remainder from internal reserves. Thus, this year's profit and loss account stands to benefit in comparison with the 1935 statement to the extent of the $250,000.

1935 Record

Earnings of the bank in the 1935 fiscal year were $1,208,079 after deduction of all operating expenses. This was the equivalent of $17.26 a share on the outstanding stock compared with $17.60 in the previous year. After taxes, depreciation and reserves, per share earnings in 1935 were $10.84 as against $10.89 in 1934. Dividends of 10% have been paid in the last four years, having been cut from 11½% in 1932 and 12% in 1931. The fact that no change has been made in the dividend rate is another factor which would lead to the belief that earnings in the year just closed are at much the same level as a year ago.

Bank Loan Paid By Saskatchewan

Saskatchewan has paid off $2 millions of advances from the Bank of Canada with treasury notes. The remaining $1 million will be similarly dealt with, it is understood, when the loan matures at the beginning of next month.

Two loans were made by the central bank to Saskatchewan, one of $2 millions on May 1 and the other of $1 million on June 1, under the section of the Bank of Canada Act which permits advances to provincial governments for a six-month period.

The advances were originally made to enable the western province to meet its debt maturities pending completion of the proposed plan for loan councils which was under discussion at the time. If the proposal had gone through, Saskatchewan would have been able eventually to refinance part or all of its provincial debt under federal guarantee.

The loan was made by the central bank because of the ban on federal government loans to provinces for any but relief purposes.

Bank of Canada Weekly Statement

Probably reflecting curtailed outlets for funds, deposits of the chartered banks with the Bank of Canada increased by $9 millions in the week ended Nov. 4. Security holdings, on the other side of the balance sheet, recorded the sharpest increase in some weeks with short-term issues advancing $6 millions and long-term $2 millions.

Advances by the bank, which for some time have stood at $3 millions were reduced during the week to $1 million. These advances had been made to the Province of Saskatchewan last spring.

Balance Sheet

	Nov. 4 $	Oct. 28 $
Liabilities		
Capital paid-up ...	10,100,000	10,100,000
Notes in circ.	130,262,271	130,641,944
Rest fund	173,092	173,092
Dep.: Dominion ..	21,635,462	19,239,214
Banks	189,718,909	180,967,077
Other	420,511	393,670
Total deposits	211,774,882	200,599,961
All other liabs.	4,177,506	3,835,400
Total liabs.	356,487,751	345,350,397
Assets		
Reserve: Gold	179,368,972	179,424,186
Silver bullion ...	1,945,456	1,907,208
Res. in ster. & U. S.	8,425,349	8,934,894
Total reserve	189,739,777	190,266,288
Subsidiary coin ...	263,719	246,980
Advances	1,000,000	3,000,000
Investments:		
Dom. govt. short	59,689,761	53,769,498
Other Dom. govt.	97,668,419	95,489,897
Total invest.	157,358,180	149,259,395
Premises	274,700	274,700
All other assets	7,851,375	2,303,034
Total assets	356,487,751	345,350,397
Reserve ratio	55.47%	57.44%

Imperial Closes Offices In Western Drought Area

Drought conditions in the country about Weyburn, Sask., have led the Imperial Bank to close five branches in that area. Taken over from the Weyburn Security Bank in May, 1931, the branches have been "nursed along" since then despite unfavorable conditions in the West. The branches closed by the bank in November include: Griffin, Goodwater, Creelman, Tribune and Readlyn all in Saskatchewan and Edberg, Alta.

New Plans Extend Bank Construction

Bank of Canada Dickers For Additional Property

Revised plans for the proposed head office building of the Bank of Canada in Ottawa have made the property already secured for that purpose inadequate. Consequently, negotiations have been under way with the Ottawa city council to obtain Davidson Lane, connecting Sparks and Wellington streets.

Some months ago the property east of the Lane was acquired by the bank as a site for the new building. When it became clear the changed plans would require additional space, options were secured on land and buildings on the west side of the Lane. To complete the area required, the Ottawa board of control recently recommended to city council that the lane itself be transferred to the bank. In return, the bank would undertake to provide another laneway about 100 feet east.

In discussing the project, Graham F. Towers, governor of the Bank of Canada pointed out that if the city was unable to deed the laneway, construction would have to be delayed, perhaps by as much as two years. If approval is given, work will be undertaken very shortly. The new building, five stories, basement and sub-basement, is expected to cost between $800,000 and $1 million.

Quebec Extends Mortgagee Aid

No Foreclosure if Small Proprietor Can Show Good Record

From Our Own Correspondent

MONTREAL.—An act to prevent the sale of properties when the mortgage capital is not paid has been passed by the Quebec legislature. In a sense the bill replaces the so-called Godbout bill, which was a yearly measure.

Under the Godbout law, a judge had to be appealed to in order that there be suspension of execution in case of the owner of the mortgage insisting upon proceedings. The procedure is now simplified. The owner of property will still have to see that his municipal, school and other taxes are paid prior to a two-year period, and also that interest due and accrued on the principal has been paid plus proof that fire insurance premiums have been paid. Also there will still continue to be exacted, if need be, evidence that the debtor, who is the small proprietor in question, is unable to pay off the mortgage.

The delay extends to May 1, 1938. Without the present bill the privileges for the proprietor would have expired May 1, 1937.

W. Favill Tuke Resigns As Barclays Chairman

W. Favill Tuke, one of England's best known bankers, has retired as chairman of the board of directors of Barclays Bank. Deputy chairman Edwin Fisher has been elected to succeed him.

Import Specialty Lines

Although Canada is one of the greatest paper producing countries in the world, still she imports around $5.5 millions of paper each year, mostly from the United States. These imports are specialty products, the demand for which is so small that it is not economically feasible to manufacture them in this country.

Nova Scotia Coal Miners Seek Higher Wage Scale

From Our Own Correspondent

HALIFAX. — Nova Scotia coal miners will demand higher wages and shorter working hours when the present general wage contract between the Dominion Coal Company and District No. 26 U.M.W. expires Jan. 31, 1937.

District executive officers will ask that the Dominion Coal Company revert to the 1931 schedule of wages, which will provide increases of 10% for datal men and 12½% for contract men.

They will also ask that the contract become null and void in the case of war as the price of coal will be increased. Negotiations concerning the new contract will get under way early in December.

LEICESTER

City of 79 industries and more than a thousand allied trades . . . here is the site for a new factory!

Ideal transport facilities by four MAINLINE railways, roads in all directions, inland waterways and a magnificent new Municipal airport.

Abundancy of cheap gas, electricity, water and versatile skilled workers.

Write for full particulars of LEICESTER, Britain's perfect distributive centre from:

J. M. SCOTT, City Development Officer, 29, Horsefair Street, Leicester, England. Or from the Travel and Industrial Development Association of Great Britain and Ireland, 620 Fifth Avenue, New York.

Standardize

Office atmosphere and appointments play a big part in your business reputation. It's good taste to make your offices attractive. It's good business to equip your staff with proper working facilities.

Standardize on reliable products

OFFICE SPECIALTY MFG. CO.

NEWMARKET, CANADA
Branches in Principal Canadian Cities

GLOBE ENVELOPES LIMITED

Makers of Well Gummed Envelopes

550 ADELAIDE STREET WEST-TORONTO

HUMAN NATURE

No man can be expected to give greater attention to other people's business than to his own — the other man's business must be of secondary consideration. Through a Trust Company an Estate receives the thoughtful management which only experience and specialization can ensure.

MONTREAL TRUST COMPANY
61 Yonge St., Toronto
J. F. HOBKIRK, Manager

Canadian Pacific Express Travellers Cheques Are World Currency

Carry them on your next trip and be assured of travel comfort.

Get them from any agent of the Canadian Pacific & most Banks

TOOLE, PEET & CO.
LIMITED
FINANCIAL AGENTS
Appraisers and Valuators
Estates Managed
CALGARY CANADA

A Modern Fireproof Hotel of 350 Rooms

Rates: $2.00, $2.50, $3.00
Double Rooms: $4.50, $5.00

MAIN DINING ROOM
Club Breakfasts 25c to 65c
Lunch 65c to 85c
Dinner $1.00 to $1.50

COFFEE SHOP

HOTEL LONDON,
LONDON, ONT.

Manager: H. F. Struckett

An Announcement:

THE Investors' Chronicle
Established 1860

Published in London, England, which has the largest net sale of any weekly financial newspaper, is publishing a special

Canadian Mining Supplement

This Supplement will be read by Bankers, Stockbrokers and Financiers throughout the entire British Isles, and will thus form a valuable financial link between Canada and the Mother Country.

Full particulars of advertising rates, etc., can be obtained upon application to—E. Stuart Johnstone, The Park Plaza, Avenue Road and Bloor Street, Toronto.

Autumn sparkles with bracing days AT

CHALFONTE HADDON HALL

FALL is truly exhilarating by the sea. At these great Boardwalk hotels, golf, riding, and biking are convenient. Squash courts. Health baths. Long Ocean Decks. Food with the flavor your appetite craves. Moderate fall rates. Let us reserve your accommodations now.

Leeds and Lippincott Company

ATLANTIC CITY

QUALITY ENGRAVING—the Essential Safeguard in Monetary Documents

Vulnerability Increases Risk

In bonds or stock certificates, the bridge between your responsibility to your shareholders and their protection is quality engraving.

Indifferent engraving increases vulnerability, and vulnerability increases risk.

One certificate which is counterfeited affects the integrity of a whole issue.

Over 100 years experience and the acknowledged world's finest steel engraving adds to the invulnerability of your monetary documents—if their making be entrusted to our care.

CANADIAN BANK NOTE COMPANY
LIMITED
Head Office and Works — OTTAWA
—Branch Sales Offices—
TORONTO MONTREAL

bank with

BARCLAYS

BARCLAYS BANK (CANADA) offers a complete service to firms and individuals having domestic banking requirements, and places at the disposal of manufacturers and merchants, the Empire-wide banking services of the Barclays Group of Banks maintaining over 2,900 offices and with resources amounting to nearly three billion dollars.

BARCLAYS BANK (CANADA)
MONTREAL 214 ST. JAMES STREET
TORONTO 60 KING STREET WEST
3-2

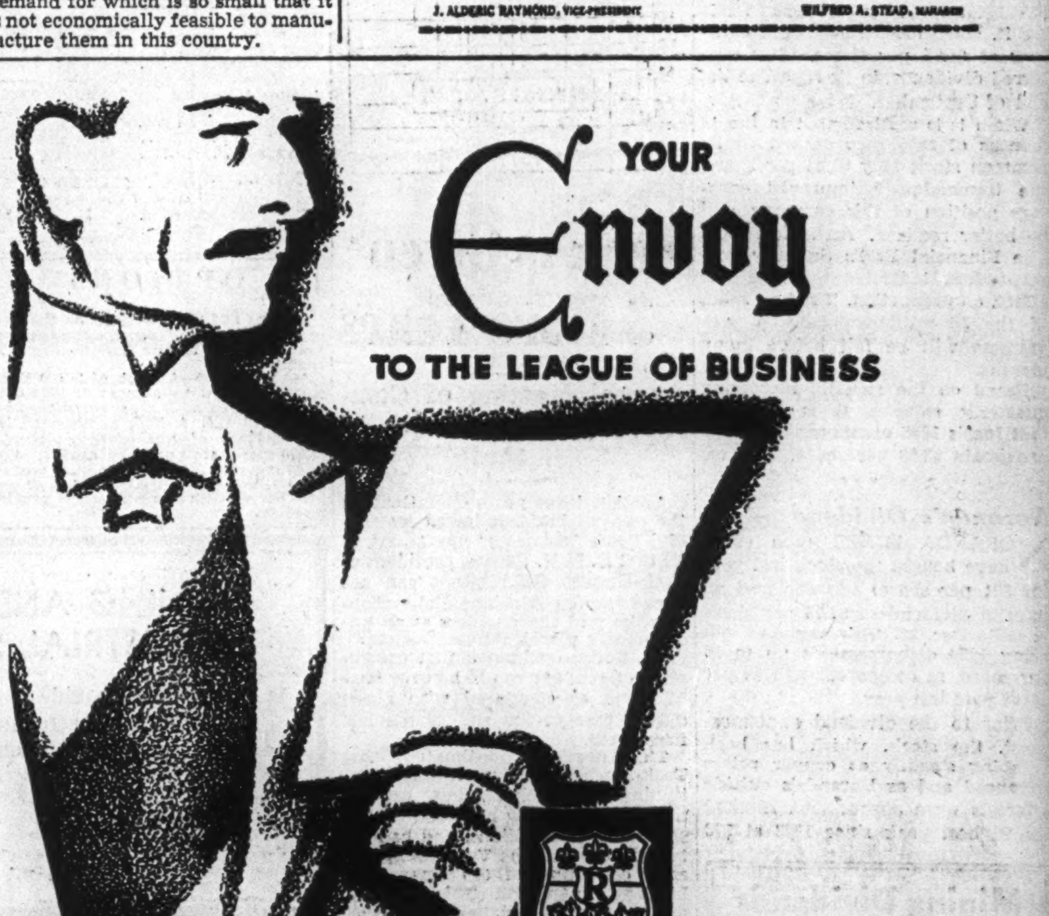
In Montreal

men of affairs naturally stop at the Windsor because of its reputation for dignified comfort and unobtrusive, courteous service and its convenient location—and because the Windsor is recognized as the proper place for business and social meetings.

Let your Montreal headquarters always be

The Windsor
On Dominion Square.

J. ALDERIC RAYMOND, VICE-PRESIDENT
WILFRED A. STEAD, MANAGER



YOUR Envoy TO THE LEAGUE OF BUSINESS

Responsibility . . . . authority . . . . pride — these are definitely sensed when the views of your House are stated on letter paper of Earnscliffe Linen Bond. Its dignity . . . distinguished appearance . . . and substantial character are born of its high RAG CONTENT. Its subdued richness of texture and finish speak of quality. These subtle influences are invaluable in winning for your message a more ready acceptance.

Specify Earnscliffe Linen Bond to your printer.

ROLLAND PAPER COMPANY LIMITED
HIGH GRADE PAPER MAKERS SINCE 1882
MONTREAL
BRANCH OFFICE: TORONTO, ONT. MILLS AT ST. JEROME AND MONT ROLLAND, QUE.

EARNSCLIFFE LINEN BOND

Week in Mining

Big Metal Producers Take Hand in Market

Noranda Dividend and Inco Earning Statement Justify Hopes

Favorable earnings statements and increased dividend announcements, brought the higher priced mining issues into the limelight during the past few days. International Nickel, Noranda, and other metal producers made headway, as well as a few of the senior golds. The movement among the junior gold stocks, most of which had plenty of activity this summer, continued to be influenced largely by localized conditions.

The market in the penny stocks is giving plenty of evidence of slight indigestion. The tremendous amount of this type of stock offered the public this summer, and eagerly grabbed up, make inevitable a period of irregularity, in which the unlisted market will try to absorb all these issues. It is natural, therefore, that the penny market should be spotty and irregular.

Silver Gets Skittish

SILVER prices have jumped comparatively sharply since last week's issue. In New York and London, spot silver prices rose nearly three cents per oz. Handy & Harman, principal silver brokers, quoted prices of 47½ cents an oz. for foreign silver.

There appears scant justification for viewing this sudden activity in the white metal as particularly significant. The fact that silver prices, long "in the dumps," started rising slowly on the day President Roosevelt received the endorsation of the U. S. voters, indicates that behind the move is a theory that the president will again attempt to "do something" for the silver producing states.

It is understood, however, that the president himself is by no means devoted to the silver purchasing policy of the United States, and, despite the political power supposed to be vested in the silver producing states, would welcome an opportunity to abandon it. The price at which the United States treasury is purchasing silver is largely artificial, and does not form a very satisfactory background for such speculative move in silver.

The result of the flurry, however, was to send the market prices of such silver stocks as Eldorado to new highs on Canadian exchanges.

* * *

O'Brien Holds Spotlight

STOCK of O'Brien Mines has again been strong on Canadian markets. The company is currently deepening the shaft in order to open up four new levels to a depth of 1,500 ft.

The spectacular No. 4 vein has been opened up on five levels down to the ninth. The current strength of the stock appears to be due in part to the expectation that the four new levels will prove the continuation of this vein to depth.

In addition, reports from fairly reliable sources indicate that shaft-sinking will soon be under way at the Cline property, near Lochalsh, Ont. O'Brien is understood to have a 60% interest in this property, optioned last July. Deep drilling has, according to official information, confirmed encouraging results found in earlier shallow holes.

* * *

Inco Justifies Hopes

INTERNATIONAL NICKEL has substantiated predictions made for it, and shows nine-month earnings of $1.75 per share, after preferred dividends, in its report to the end of September.

When it is realized that in the 12 months of 1935 Inco earned on its common stock only $1.65 per share, the tremendously improved earnings position of this company will be better realized. An article from The Financial Post's Sudbury correspondent indicates that the full effect, on production, if not on sales, of the $6 million expansion programme will be felt before many months.

Based on the steadily increasing quarterly returns, it is apparent that Inco's 1936 earnings should approximate $2.50 per share.

* * *

Noranda's Dividend

NORANDA MINES (you could have bought the stock last year for $31 per share) has declared an interim dividend of $1.75 per share payable Dec. 22. This payment will bring 1936 disbursements up to $3 per share, as compared with $2 per share paid last year.

Prior to the dividend announcement, the stock, which has been climbing steadily as copper prices advanced and as Noranda's outside interests were appreciated, reached the highest peak since 1928 at $73 per share. In 1928 the stock registered $76.50 per share.

The fact that in 1928, when the company's overall assets were not nearly as great as they are now, the public should have been willing to pay $76.50 a share indicates what a vague thing market evaluation is. Average copper price per pound in 1928 was 14 cents, a figure not so very far removed from the present price level of well over 10 cents per pound. At the end of 1928, Noranda's estimated ore reserves were about three million tons. At the end of last year total reserves were over 30 million tons, with higher copper content and greatly increased gold value. Since 1928 Noranda's outside activities, Pamour, for example, have greatly increased the outlook for the company.

The market was either appallingly out of line in 1928 or Noranda is appallingly undervalued in this year of grace.

* * *

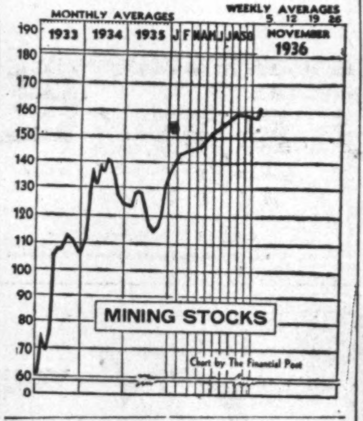
Wheat vs. Gold

WESTERN daily papers have been headlining recently the statement that Canada's output of gold now leads, in gross value, the output of wheat.

While the race is a close one, it is difficult to find authentic basis for this statement.

Canada's wheat exports in the 12 months ended Oct 30 last were valued at $202,814,644. As explained in another column, Canadian gold production in 1936 should have a value of about $135 millions. Authorities estimate that the gross value of Canada's wheat production in the fiscal year 1937 may be as high as $225 millions.

While therefore Canadian gold production has made some tremendous gains of recent years and might well, in time, exceed in value what was formerly considered Canada's basic industry, it is a little premature to give the gold miner the palm just yet.



Teck is Given 3 More Years

Annual Meeting of Company Unexpectedly Placid

Another three years operations on the present basis, followed by several years "clean-up" operations, is all that D. L. H. Forbes, president of Teck-Hughes Gold Mines can see ahead for the Kirkland Lake property, he told shareholders at an unexpectedly placid annual meeting.

Dr. Forbes estimated that ore reserves next year would be over 500,000 tons, as compared with about 650,000 tons at the end of the last fiscal year.

The president intimated that Teck-Hughes was vigorously continuing its search for new properties. The company had looked over 93 outside propositions, and had retained only one, the Valentine property, consisting of 600 acres near Lamaque in Quebec. This property, for which Teck-Hughes paid $5,500 did not respond to drilling.

Speaking of Lamaque, Dr. Forbes stated the property is now producing some $2.5 millions per year, treating in the neighborhood of 200,000 tons annually. It already had 427,000 tons estimated reserve, which would supply the mill at present capacity for over two years.

Mining Dividends

	Rate	Close Nov. 9	Yield %
Anglo-Huronian	20c	6.00	..
Beattie Gold	†5c	1.37	..
Bralorne	30c+15c	8.70	..
Buff. Ankerite	20c	11.25	1.8
Bulolo Gold	‡1.40	28.50	..
Cariboo	10c	1.80	5.6
Central Patricia	†4c	4.25	..
Coniagas	†12½c	3.20	..
Cons. Smelters	50c	75.87	..
Dome Mines	$2+$2	55.75	7.2*
Falconbridge	30c	12.50	2.4
Hollinger	65c+30c	13.75	6.9*
Howey Gold	2c	.73½	..
Hudson Bay	50c	31.25	..
Island Mountain	†5c	1.30	..
Int. Coal & Coke	‡1c	.21	..
Inter. Mining	60c	11.00	5.4
Int. Nickel, c.	$1.60	64.25	2.4
Kerr Lake	5c	.55	..
Kirk. Lake	‡3c	.64	..
Lake Shore	$4	57.37	6.9
Little L. Lac	30c	7.15	..
Macassa	15c	5.90	..
McIntyre	$2	42.75	4.7
McKenzie R. Lake	6+1c	1.75	..
McKinley Sec.	2½c	.63	..
McWatters Gold	†5c	1.09	..
Nipissing	50c	2.50	..
Nor. Can. Mining	2c	.50	..
Noranda	‡$1.75	72.38	2.4
Pickle Crow	15c	6.90	..
Premier	12c+4c	3.04	5.2*
Pioneer, B. C.	80c	6.85	11.7
Reno	12c	1.38	8.7
San Antonio	14c	2.20	..
Sheep Creek	8c	.80	10
Siscoe	20c	4.50	4.4
So. Amer. Gold	30c	5.05	..
Sylvanite	20c	3.55	5.6
Teck-Hughes	40c+5c	5.15	8.7*
Toburn	8c	3.85	2.1
Ventures	2½c	2.93	..
Wright-Har.	40c+20c	7.60	7.9*
Ymir Yankee Girl	5c	.38	..

‡Interim. †Initial. *Yield includes bonus.

ADMIRAL CADILLAC
Bought — Sold — Quoted
UNLISTED DEPARTMENT
INFORMATIONAL BULLETIN UPON REQUEST
Rittenhouse, Hamilton & Co.
MEMBERS
THE TORONTO STOCK EXCHANGE
Star Building Toronto, Ont.
ELgin 0247

RED LAKE'S MAIN STREET

This is a familiar view to many mining men, and shows the main street in the town of Red Lake, Ont. This town, many miles from the railway, is completely isolated from the outside world during the break-up periods in the spring, and the freeze-up period in the late fall. It is, however, kept thriving by the intense activity which has marked the Red Lake camp this year. A survey of current developments in the camp appears elsewhere. The above view was taken by The Financial Post correspondent.

Inco Earnings $1.75 a Share

Compares With $1.14 Per Share Reported in 1935

In the first nine months of 1936, International Nickel Co. earned $1.75 per share on its common stock, after meeting preferred dividends, as compared with common share earnings in the 1935 nine-month period of $1.14, according to quarterly reports released by the company.

A net profit of $9,572,106, equivalent to 62 cents per share on the common stock was made in the third quarter of the current year. This compares with a net profit of $9,070,187 for the previous quarter, which was equivalent to 59 cents per share.

The total of Inco's earned and capital surplus now amounts to $116,894,401. The consolidated balance sheet as at Sept. 30 shows current assets of $72,598,637, which includes $43,535,738 in cash and government securities. As at Dec. 31, 1935, current assets amounted to $60,109,936, of which $32,720,024 was in cash and government securities.

In a letter sent to shareholders in conjunction with the interim financial statement, Robert C. Stanley states that elector-deposition, or "plating," one of the earliest uses for nickel, still consumes about 10% of the company's production.

A detailed analysis of the nine-month income and surplus account follows:

Income and Surplus Account
Nine Months Ended Sept. 30

	1936 $	1935 $
Earnings	38,940,357	26,709,325
Less: Adm. & h.o. exp.	1,203,383	1,117,727
Net oper. profit	37,736,974	25,591,598
Add: Other income	263,691	329,091
Less prov. for:		
Income & franchise taxes	5,825,365	3,517,262
Depr. & deplet.	3,858,363	3,565,453
Retire. system, etc.	1,287,856	944,782
Int. paid & accrued	......	172,366
Net profit	27,029,081	18,080,826
Less: Pref. div.	1,450,424	1,450,424
Common div.	13,120,352	7,289,084
Surplus for period	12,458,305	9,341,318
Add: Prev. surplus	44,094,494	30,990,016
Less: Premium on deb. red.	......	114,525
Tax adjust.	264,896	......
Earned surplus fwd.	56,287,903	40,216,809
Earnings per Share and Div. Record:		
Common: Earned	$1.75	$1.14
Paid	0.90	0.50

OPTIONS

Options and underwritings on the treasury shares of the following companies have been reported to The Toronto Stock Exchange:

MAY-SPIERS—A block of 25,000 shares, part of April 1 installment of 100,000 has been taken up at 35 cents per share under agreement Dec. 9, 1935, as amended May 11. Balance of underwriting comprises 75,000 shares at 35 cents by April 1, 100,000 at 40 cents by May 1, 50,000 at 45 cents by June 1, and the option, 454,578 at 50 cents per share with payments provided monthly.

News Concentrates

Brooks God's Lake Mines — will send drillers and equipment to the property at the freeze-up. Arrangements have been made to negotiate an initial contract for 5,000 ft.

* * *

Buffalo Ankerite Gold Mines—reports October recovery at approximately $193,500 from 24,733 tons milled. Recovery during September was $185,248 from 23,535 tons milled and had been the previous high month for the company.

* * *

Golden Mining Co.—reports that underground development is now being confined to the 350-ft. level and is obtaining good results. Crosscutting at this horizon has intersected a well-mineralized quartz vein showing a width of 8 ft.

* * *

Hutchineau Gold Mines—Application has been made for the incorporation of this company to acquire a group of nine claims in the Hutchison Lake area, located due east of Hutchison Lake Gold Mines. The new company will have an authorized capitalization of three million shares of which 1.1 million will be issued to George Papineau and associates as vendors.

* * *

Hutchison Lake Gold Mines—W. M. Rice, engineer in charge of this property north of Geraldton, Ont., reports that shaft sinking has started by hand, pending arrival of sinking equipment already ordered. The Ontario Government has already allotted the preliminary expenditures for improving the road from Geraldton.

* * *

Island Mountain Mines — Reports October production at 1,463 oz., from 3,966 tons of ore treated. This works out to a recovery per ton of about 0.37 oz. per ton, and compares with a September recovery of 1,483 oz. from 3,654 tons, or a recovery of 0.45 oz. per ton.

* * *

Marquette Long Lac—organized to operate the southerly section of the 25 claims owned by Lafayette Long Lac, has been carrying out an extensive programme of diamond drilling. An original 9,000 ft. of drilling carried out both by the previous operators and by Marquette Long Lac gave favorable results with the result that an additional diamond drilling contract has been signed.

* * *

Porcupine McNabb Gold Mines—announces that a substantial drilling contract has been let for the property at the southeast corner of Night Hawk Lake in the Porcupine district. The property was drilled earlier this year and indicated promising conditions, according to Frank J. McFarlane, president.

* * *

Stewart-Abate Gold Mines — reports that drilling at the Beatty-Munro property is proceeding pending installation of a mining plant and equipment for underground development. Plans are being devised for deepening the shaft to 250 ft. where another station will be established and lateral work carried out. Machinery and equipment for this step is expected to be delivered to the property very shortly.

* * *

Wabano Mines—reports that it has received at the Portage Island property the full order of approximately 30,000 lb. of supply and equipment and the winter campaign of development work on this Chibougamau property is being continued. Arrangements have been made to carry on further diamond drilling on the main vein which has already been drilled to a depth of 400 ft.

* * *

Winoga Gold Mines—reports that drilling at a depth of 139 ft. had cut two feet, three inches of ore at $57 a ton. Another hole, at 420 ft. cut 9½ inches of $10 ore. Both holes are understood to be on the northern section of the property.

MINING AND INDUSTRIAL STOCKS
We would be pleased to execute orders or furnish information on all mining, oil and industrial stocks.
Telephone Elgin 5317
G. W. NICHOLSON & CO.
Members
Toronto Stock Exchange
302 BAY ST. - TORONTO

FIND OUT WHY
THIS CLIENT INCREASED HIS HOLDINGS OF
BERESFORD LAKE GOLD
BAIN SPONSORED
On October 7, 1936, when we first pointed out its possibilities, he purchased 2,000 shares.
NINE DAYS LATER, after making his own investigation, he purchased another 3,000 shares.
FILL OUT THIS COUPON TO SECURE complete information about Beresford Lake.
H. R. BAIN & CO. LTD. TFP
Bain Bldg., Bay St., Toronto
Please send me further information on Beresford Lake Gold Mines.
NAME ....
ADDRESS .... CITY ....
HRBY

Power, Rails Big Concern Of Red Lake

Threatened Food Shortage Emphasizes Serious Condition

From Our Own Correspondent

KENORA, ONT.—The need for a railroad into Red Lake, as emphasized in a threatened shortage of provisions a few days ago and the question of additional power facilities for the Patricia mining areas, were among matters discussed at a meeting of the Kenora Board of Trade last week.

A serious condition existed at Red Lake when, on account of the early freeze-up, it was thought the transportation companies would not be able to get through adequate supplies of food to last until the waterways were firm enough on which to travel. The board was urged to secure all possible data so that the matter can be taken up with government officials.

The situation at Red Lake has cleared up somewhat as, by opening the gates of Ear Falls dam to raise the level of the rivers into this mine centre, and with the help of ice breakers, it was possible to get sufficient scows through with food to supply the miners over the in-between season. However, if these efforts had failed, many people in this area would have suffered.

Many Power Customers

Even though the Hydro is engaged at the present time in adding a second unit at Ear Falls, which serves Red Lake, to bring capacity up to 10,000 h.p., it appears as though this energy will be contracted for before many months have passed. Present users, Howey, McKenzie Red Lake and Red Lake Gold Shore, with expansion programmes completed, will use all of the energy from the present 5,000-h.p. unit while over a dozen other properties at Red, Woman and Casummit Lake are possible new customers. Included are Gold Eagle and Madsen which have both contracted for energy and who will require much power, especially if Madsen's plans to bring the property into production with a 1,000-ton mill materialize. Skookum Gold has signed a contract. Another mine which will require a large amount of energy is Cochenour Willans when it is sufficiently advanced.

Other possible customers include Coin Lake Gold, which plans shaft-sinking; J. M. Consolidated (100-ton mill in operation); Hudson Patricia (50-ton mill); Argosy (75-ton mill); May Spiers (shaft-sinking); Red Crest (shaft-sinking); Cole (planning a 100-ton mill); Frontier (shaft-sinking); Paulore (planning to sink); Faulkenham Lake Gold (beginning to sink).

Pickle Lake Demand

At Rat Rapids, which serves Pickle Lake, a second unit has just been installed to bring total capacity to 3,200 h.p. This entire amount will shortly be taken up by present contractors, Pickle Crow (preparing for 400-ton mill), Central Patricia (150-ton mill), No. 2 Central Pat (shaft-sinking) and Albany River Mines (shaft-sinking). A fifth contract is being arranged with Winoga Patricia to sink a shaft. During the winter this limited unit will be taxed to capacity, necessitating consideration of establishing another power plant for Pickle Lake mines as the full head at Rat Rapids is now developed. Another likely site is located east from Rat Rapids on the Albany River.

Kenora Wants Power

The town of Kenora has been facing a power shortage for years so that the Ontario Hydro is being faced with the necessity of spending large sums in northwestern Ontario.

Lake Rowan Starts 3-month Programme

Active development work started recently on the Red Lake property of Lake Rowan Gold Mines, is based on a three-month programme, calling for 5,000 ft. of diamond drilling to explore the downward continuation of the Discovery Hill system, and for shaft citing purposes.

William T. May, Montreal mining engineer, recently reported favorably on this property, stating that it had "attractive possibilities.

The company reports about $125,000 on hand for development, with negligible liabilities.

N. C. URQUHART & CO.
STOCK BROKERS
Members Toronto Stock Exchange
15 King Street West Toronto, Ont.
ADel. 6028

POWER
Empress Consolidated Gold Mines has natural water facilities on its property for the development of initial electrical power needs, with two power sites within six miles of the property capable of developing ample energy for all future requirements.
This is particularly important in view of the fact that the Empress Consolidated is rapidly proving up a large tonnage medium-grade vein structure over unusual mining widths and lengths.
Details of these developments are available upon request.
WAverley 6826
GIBSON M. TOD
Investments
4 COLBORNE ST.
TORONTO

a 73% increase

THE December 1st issue of Maclean's Magazine carries 22,492 lines of paid advertising—9,526 lines more than the same issue last year—*an increase of over 73 per cent.*

This follows a gain of 4,075 lines in the November 15th issue, making a total increase of 13,601 lines for the last two issues —emphatic recognition of the great advertising strength of Maclean's Magazine.

And—this big increase comes at the time when the annual motor shows of Eastern Canada are in full swing—when the leaders in the automotive industry are parading their 1937 models. These experienced advertisers are shrewd buyers of space. They sell higher-priced products to selected buyers—products that are bought only after careful consideration and which, more often than not, involve a family consultation before final choice is made.

Follow the lead of these leaders. Their example may profitably be followed by all manufacturers of nationally-sold merchandise —*especially at this time when all signs point to a great business revival.* Sell the families who spend freely. Use Maclean's to reach *all* the members of the family purchasing board in more than a quarter-of-a-million homes. No other single Canadian medium reaches such a substantial and influential group of prospective buyers of nationally-advertised merchandise.

Maclean's All-Star Canadian Football Teams
Maclean's
5c

Over a quarter of a million net paid circulation
The largest magazine circulation in Canada
481 UNIVERSITY AVENUE, TORONTO, CANADA—NEW YORK, CHICAGO, MONTREAL, LONDON, ENG.

Inco Reaches Final Stages Of Expansion

New Furnace Ready For Operation — Ahead of Schedule

BUSY AT CREIGHTON

From Our Own Correspondent

SUDBURY. — Nearing the final stages of International Nickel's 1936 expansion programme, one of the reverberatory furnaces in the new $6 million smelter at Copper Cliff will be in operation this week, receiving its first charges of copper sulphides from the concentrator. This development has been preceded for about 10 days by the process of burning in the bottom of the furnace. The fire also serves the purpose of drying out the flues and the new 500-foot stack, counterpart of the first chimney which serves the present smelter.

The new smelter, which houses two reverberatory furnaces and eight converters, one of them moved from the old smelter, is to take copper concentrates entirely, and the other unit becomes the nickel division. The conveyor system to the new smelter from the concentrator includes about a mile of rubber belting, widest of which is 72 inches, and the longest stretch of which is 1,260 ft. More than 170 motors go into the electrical circuit, supplying more than 4,000 h.p.

Ahead of Schedule

Increased production is thus coming into vogue a few weeks in advance of schedule. Construction of the new smelter was started last January, and by reason of the good progress made in the work by all contractors involved, the expansion programme is being brought to fruition earlier than anticipated. By the end of the year, it is expected, every department of the increased facilities will be in position to respond to demands upon it.

The tempo of increased production will, of course, depend upon the market demand for Nickel's products. It has been the policy of the company to maintain stocks of nickel at its outside warehouses at a level calculated to ensure meeting of all demands of consumers, and this plan will be continued. Observers, however, foresee that with steadily increasing consumption both of copper and nickel, Inco's new productive facilities will be operating at full force before 1937 has far advanced.

Creighton Development

Rapid progress is reported in the opening up of the Creighton mine through the new No. 5 shaft. The shaft was completed to 4,075 ft., its present objective, in August, and since that time the lower levels are being opened up to be connected with the old workings.

The new shaft will increase hoisting capacity of the Creighton mine to between 5,000 and 6,000 tons per day. This increased capacity will give ample opportunity to augment nickel tonnage, as Creighton ore is predominantly nickel, and at the same time as added output of copper is required the lower levels of the Frood, which give two parts copper to one of nickel, can provide the desired balance.

THOROUGHBRED QUALITY

TRUSTWORTHY!

RUBBER TRANSMISSION BELTS

•

CONVEYOR BELTS

•

AIR DRILL HOSE

Made by GUTTA PERCHA & RUBBER, LIMITED

Call or write your nearest Branch

Halifax, N.S.; St. John, N.B.; Quebec, P.Q.; Montreal, P.Q.; Toronto, Ont.; London, Ont.; Winnipeg, Man.; Regina, Sask.; Saskatoon, Sask.; Calgary, Alta.; Edmonton, Alta.; Vancouver B.C. Victoria, B.C

GUTTA PERCHA & RUBBER, LIMITED

Set 1936 Gold Output Close to $135 Millions

This year, value of Canada's gold production should be in the neighborhood of $135 millions, judging from nine month production figures issued by the Dominion Bureau of Statistics.

For the nine-month period ended Sept. 30, gold production totalled 2,746,531 ounces, or 15.2% over the similar period of 1935.

September production sustained the increasing tempo of output, and set up a new high monthly record of 330,820 ounces.

Ontario is still Canada's premier gold producing province, and the Porcupine camp still the leading gold area. Ontario produced 190,060 ounces of gold in September, or about 52% of total Canadian production. Porcupine camp was responsible for 85,169 oz. Kirkland Lake came a close second with 74,854 ozs.

Typical of the rapid growth in the ranks of producers is the fact that in September, for the first time, production was recorded from four new companies, Argosy, Algold, Elora, and Red Lake Gold Shore.

Quebec, Canada's second gold producing province, reported an output for the month of 61,569 oz. against 61,402 oz. in August. Production for this province for the nine-month period was 53.5% above the similar period last year.

British Columbia recorded an advance of 10.8%, September's production being 47,100 as compared with 42,524 oz. in August.

During September, gold averaged $34.99 per ounce on the London market in Canadian funds. At this price, value of September production was $11,575,392. The August average was $35, giving a value to that month's output of $11,504,395.

Maurice Singer Figures In New Mining Venture

Maurice Singer, whose activities in connection with the selling of Canadian mining stocks were recently aired in British courts, is in Toronto, The Financial Post learns, and is involved in at least one mining deal.

In the records of the Provincial Secretary at Queen's Park, Singer appears as president of Maurice Exploration Ltd., which last September, sold 15 claims in the Cadillac area of Quebec to Admiral Cadillac Gold Mines, for 1.2 million shares.

Admiral Cadillac reports having given stock options to Ridge Securities at prices ranging from 10 cents per share to $1.25 per share.

The 1.2 million shares received by Maurice Exploration Ltd. for its property are held in pool with the Premier Trust Co., pending their release by the Ontario Securities Commission.

Option Terms

The Post could find at Queen's Park no indication as to the men behind Ridge Securities, optionees of Admiral Cadillac stock. Provisional directors were members and employees of the legal firm through which Ridge Securities was incorporated.

The terms by which Ridge Securities are given options on Admiral Cadillac Stock are, according to information on file at Queen's Park, as follows:

No. of Shares	Price per Share
250,000	$0.10
200,000	0.15
200,000	0.20
100,000	0.75
100,000	1.00
200,000	1.25

In addition, Admiral Cadillac agreed to sell Ridge Securities, 250,000 shares at 10 cents per share. As at Oct. 14, 1936, Admiral Cadillac reported receiving payment for 150,000 of these shares at 10 cents per share net to the company.

The property of Admiral Cadillac is a field which has attracted a considerable amount of attention this season because of development at O'Brien Gold Mine and Thompson-Cadillac. The property contacts Thompson-Cadillac, and is 2 claims north of O'Brien. Surface work and preliminary drilling have been done.

Property is Prospect

In the opinion of reputable engineers with whom The Financial Post has spoken, the property is in favorable geological location, and warrants development. Latest reports from the property state that on surface several interesting veins and stringers have been uncovered.

Last month, an offering was made by Standard Securities of 250,000 shares of Admiral Cadillac stock at 25 cents per share. Officials of Standard Securities inform The Post that this stock was obtained from Ridge Securities at the price the latter firm paid for it. There is no connection, otherwise, between the two firms, The Post was told.

Recently, Singer gained considerable publicity in England as a result of having lost a libel appeal, the opposing party in the case being the London Daily Mail. Earlier this year Mr. Singer secured £50 damages from the Daily Mail in connection with certain minor libels, but in the Lower Court the jury found that the Daily Mail had justified its statement that Mr. Singer was "a swindling share-pusher." Mr. Singer appealed against the latter finding, but this appeal has now been dismissed with costs.

This case centred around the selling of the shares of Associated Gold Mining & Finance Co., a Canadian holding company. In giving judgment, one of the appeal justices remarked: "In all my experience of the company matters. I think the story is one of the most disgraceful frauds that it has ever been my misfortune to hear."

No Platinum At Centennial Says Engineer

Much-mooted Property Fails to Respond to Independent Tests

The mystery surrounding operations of L. B. United Mines, Michipicoten "gold-platinum" prospect has been, in one respect, deepened by the recent report of Colin A. Campbell, mining engineer, made to the Ontario Securities Commission.

Mr. Campbell, in his report, stated in part. "It is highly improbable that platinum in commercial quantities would be found in the so-called lamprophyre dike."

Mr. Campbell also finds that expenditure for underground work, construction of a mill and many buildings was patently unwarranted.

Readers of The Financial Post will recall that in July of this year, attention was drawn to the rosy promises held out for the Centennial property by Lancaster Bros., of Toronto, through whose office stock in L. B. United was being sold. The mystery surrounding this centres on the fact that, despite the negative findings in Mr. Campbell's report Lancaster Bros. claimed that concentrates, allegedly made from L. B. United ores sent in March to Daniel C. Griffith Co., of London, England, returned assays of 14.7 ounces platinum.

Last August, following an article in The Financial Post, a "test run" of L. B. United ore was made in Toronto in the presence of experts. The result of this run were subject to debate, University of Toronto experts claiming that there was no trace of platinum in the resultant "sponge."

After this, the mill at the Michipicoten property was closed down, pending a report asked for by the Ontario Securities Commissioner.

Can't Place Blame

This report, the result of an examination by O. W. Bell, J. Frank Young, and members of the staff of Colin A. Campbell, with Horace Strong, M.E., of Haileybury, acting for the company, reads in part:

"I am confident that the samples taken by the writer and his staff do not contain platinum, and from the statements which were made with a good deal of confidence by the mine staff that all the lamprophyre was of the same material, the writer is therefore led to state that it is highly improbable that platinum in commercial quantities would be found in the so-called lamprophyre dike."

"I feel that the money which was spent should have been confined to exploration of some of the gold showings on the property, but I can make no prediction as to what the results would have been.

"It is almost impossible to place the direct blame for expenditure of the money necessary for the underground work, the construction of the mill and many buildings, but I have no hesitation in saying that it certainly was unwarranted."

Gale Gold Mines Reports $32,985 Working Capital

Gale Gold Mines, developing a property in Dubuisson Twp., Que., in an audited balance sheet as at Sept. 30, 1936, shows current assets, composed entirely of cash, of $45,480, as against current liabilities, comprising supply accounts, accrued wages, etc., of $12,495. This leaves a working capital position of $32,985.

In addition, The Financial Post is informed, options will, if taken up by the underwriters, net the company $156,048.

Exploration and development expenditures to date are capitalized on the balance sheet at $124,521, which includes cost of plant and equipment, development, incorporation, and administration expense.

Underground work during October consisted of crosscutting to the veins. During the course of this work, a 12-inch vein was located on the second level. Drifting on this discovery is now under way. In addition, a drill contract has been let for another 2,000 ft.

The company reports, as of Nov. 1, a total of 2,557,379 shares issued of an authorized capitalization of three million shares, $1 par, leaving 442,621 shares in the treasury. This stock has been underwritten by O. Paquette, of Paquette Securities, Windsor, Ont.

Jowsey Island Suspends Work

Pending further financing, work has been suspended on the property of Jowsey Island Gold Mines, in the God's Lake field of Manitoba, H. R. Drummond-Hay, sec.-treas., reports. Outstanding options on stock have not been taken up.

Work on two levels has opened up a total of 301 ft. averaging about five feet in width, and showing values of between 0.20 oz. to 0.47 oz. per ton.

A total of 1,115 ft. of drilling was completed underground. Of the 15 holes, only two showed any values. As no extension of these values was picked up in adjacent holes, they are regarded as erratics.

The company believes deeper drilling is justified, but points out that God's Lake Gold Mines, the parent company, is proposing to drill on the some formation. Jowsey Island, by deferring drilling, will have the benefit of data obtained by God's Lake.

East Malartic Lengthens Ore

Continued encouragement is rewarding efforts of East Malartic Mines, in Malartic Twp., Quebec, judging from a report by J. P. Norrie, vice-president.

NORTHERN CANADA MINING CORPORATION, LIMITED

New mines financed, managed and developed to production.

44 Victoria Street, Toronto, Can.

Give McMillan Another Trial; Field Cheered

Bousquet Gold Mines Pours 8th Brick

WEST RIVER NEWS

From Our Own Correspondent

SUDBURY.—Reopening of operations at McMillan Gold Mines has heartened other operators in the West River district, who still have confidence that the area will justify the faith they have shown in it.

Under Evan Harris, new superintendent, mining operations have been resumed at McMillan, and it is expected the 125-ton mill will be running within a few days.

Finances Own Programme

Ore will be taken from the lower levels, where exploration last summer revealed some commercial deposits, averaging around $9.50 per ton. The objective of the management will be to keep costs down to $5 or less. It is officially stated McMillan has been able to finance its present programme.

Bousquet Gold Mines, in the West River region, has poured its eighth brick since commencement of milling operations last May, and it is stated a small profit is being made monthly. W. F. James, geologist, recently completed an examination of the mine, and certain recommendations made will enable the company to effect improvements in its development programme.

In the process of raising from the 450-ft. level, the first 25 ft. has revealed ore grading better than two ounces per ton, it is stated. The mill is running steadily, treating approximately 50 tons daily of ore grading around $11.50.

Fox Lake Gold Mines has a drill running testing the lower horizons.

Farther south, in Mongowin township, Bass Lake Gold Mines has withdrawn a small drill and will put a larger drill to work in an extensive campaign.

Current Chatter From B. C.

From Our Own Correspondent

VANCOUVER. — Road construction is being rushed at the Big Missouri, and it is probable equipment will be moved into the mine within a few weeks. A tunnel has been started on the west side of the ridge and this will provide the chief entrance to the underground mill that is to be built.

• • •

Freeze-up Prevents Clean-up

Cold weather prevented the expected clean-up at Placer Engineers property, the company missing out by about 48 hours because of a sudden freeze-up. Work will be resumed in the spring.

• • •

Gold Leasers Get Extension

Lease on Georgia River's Portland Canal property to Gold Leasers, Ltd., has been extended. The private company now has until December 31, 1939, to erect a mill.

• • •

Reno Output

Reno Gold Mines, Sheep Creek, reported a production of $76,760 from 3,800 tons of ore, during October, approximately the same as in September.

• • •

Dictator Adds to Holdings

Dictator Gold Mines have taken over the Goepel holdings in the Nelson district.

• • •

More Eastern Capital

Resumption of development on the old Tamarack group of claims two miles from Ymir, south of Nelson, heralds the entry of more eastern Canadian capital into B. C. mines. Balsam Gold Mines, recently incorporated in Ontario, of which F. H. Plant, Ottawa, is president, will operate the property.

• • •

Bralorne Increases

For the fifth successive month Bralorne Gold Mines, Bridge River, reported increased production in October. Recovery was 6,553 ounces of gold, valued at $229,355 on a $35 basis, or $1,500 better than the showing in September.

3 Red Lake Mines Get $8,800 in Gold Daily

From Our Own Correspondent

HUDSON.—The Red Lake area of Patricia district is rapidly becoming an important camp. At the present time three mines are in production, total yield for which this year will be about $2.4 million. The Howey figure will be approximately $1.3 million, McKenzie Red Lake $730,000 and Red Lake Gold Shore $360,000.

At the present time these three mines are turning out $8,800 each day in gold, or a yearly rate of $3.2 million. In 1930 yield for the camp was $460,000.

In 1937 the figure will be greater than ever with two of the present producers preparing for a step-up in mill capacity while among a dozen other advanced mines a few at least will be new producers.

Although Howey will probably not improve much on the 1936 production record, Red Lake Gold Shore and McKenzie are preparing for important increases. Gold Shore will, if development work during the winter is satisfactory, increase mill capacity from 40 to 300 tons. Provision for this has been made in the present mill building. The additional machinery could be purchased for $45,000. McKenzie Red Lake has already purchased machinery to step-up its mill-rate from 140 to 225 tons daily and expects to have the new units turning over in a few months.

Possible Producers

Among the mines which are possible 1937 producers, Gold Eagle is regarded as certain for production honors with substantial reserves definitely proved. John W. Shaw, consulting engineer, has already discussed with mill experts tentative plans for the mill, definite size of which will be decided upon during the winter when further underground work has been done.

Other possible producers are Madsen, Cole and Cochenour Willans. Madsen has already proved one mine which has 70,000 tons of $13 ore available for a 100 mill.

Cole Gold Mines promises to be Pipestone's Bay first producer with a 100-ton unit. Cochenour Willans is reported to have proved up sufficient feed for 1½ years milling to a depth of 175 ft. and will open up new levels at 275 and 400 ft. during the winter.

Other advanced mines in Red Lake include Red Crest, May-Spiers, Frontier, Faulkenham Lake Gold, Paulore, Skookum and Margaret Mines, some of which have possibilities of opening up sufficient ore during the winter to consider mill plans in 1937.

Red Crest is already drifting in ore on two levels at 150 and 275 ft. On the second level a shear zone 50 ft. wide with values from $10 to $70 is being opened up by drifting.

May-Spiers reports cutting its first ore underground. No. 1 vein has been intersected on the first level showing heavy mineralization, while No. 3 vein has also been cut in two places giving values of $17.

Frontier has advanced rapidly with shaft-sinking under power. The present objective is 275 ft. with 2 levels.

Faulkenham Lake is preparing to start sinking shortly while Skookum has similar plans during the winter. Margaret Mines is already equipped with a 275 ft. shaft in which work is to be carried out in conjunction with drilling from surface during the winter.

WE MAINTAIN ACTIVE TRADING DEPARTMENTS SPECIALIZING IN LISTED AND UNLISTED CANADIAN MINING AND INDUSTRIAL SECURITIES.

Our statistical staff would be pleased to answer inquiries regarding all classes of securities.

F.J. CRAWFORD & CO.

Members
Toronto Stock Exchange
Winnipeg Grain Exchange
Canadian Commodity Exchange Inc.

11 Jordan St. - Toronto
ELgin 2201

'Phone Sellers Turn in License

Wellington Booth & Co. Active in Distributing S. McKenzie Island

The Financial Post is advised by the Ontario Securities Commission that the registration of Wellington Booth & Co. of Toronto has been surrendered.

Simultaneously, the Montreal Better Business Bureau reports receipt of complaint that the company had been using the long distance telephone to effect sales of mining stock to residents of Quebec and the United States.

The Bureau reports that this company was only one of a number which have been similarly telephoning Quebec investors from Ontario points.

The Bureau cites a case wherein a Montreal man found himself switched out of his holdings of high-grade securities and sold instead 4,000 shares of a certain mining stock. This purchase was effected by personal call of a salesman following a first sale by long distance telephone. The salesman, though the final transaction took place within Quebec, did not hold registration nor had the particular stock sold been qualified under the Quebec Securities Act. Furthermore the selling price to the Montreal man at 34 cents per share was considerably above the over-the-counter market for that particular stock on that particular day.

Gets High Grade Back

On complaint being made to the Ontario Securities Commission, the sale was cancelled and the Montrealer is again in possession of his original high-grade securities.

Wellington Booth was active in promoting the sale of South McKenzie Island Gold Mine stock. The Financial Post understands this stock was being sold by this company at around 30 cents per share. At the time of writing The Financial Post can find no market for this stock among unlisted dealers.

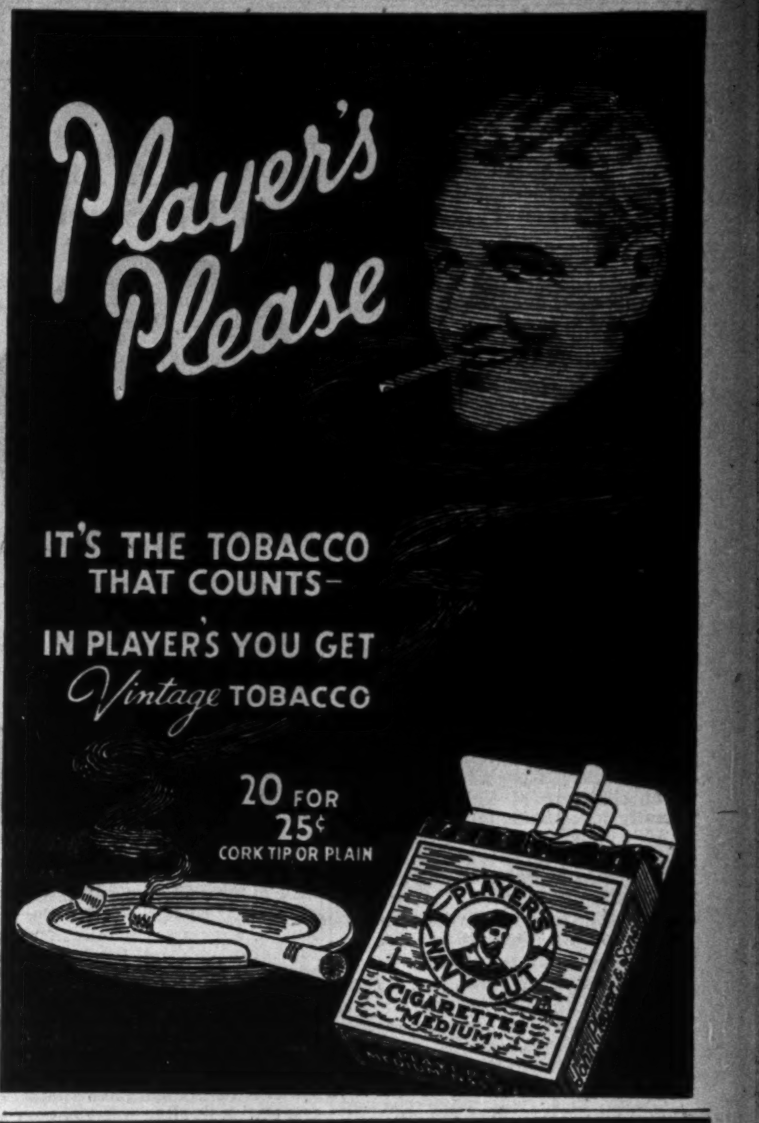
Officials of South McKenzie state, however, that a report is expected from the property shortly. This report should go a long way toward clarifying the actual property picture and establishing a real basis for the market.

We Recommend the Immediate Purchase of

DON MARTIC and MINERAL ESTATES AT THE MARKET

Full Particulars on Request

Coupland-Jarvis & Co. Ltd.
34 King St. E. TORONTO WA. 2354



Player's Please

IT'S THE TOBACCO THAT COUNTS—

IN PLAYER'S YOU GET *Vintage* TOBACCO

20 FOR 25¢
CORK TIP OR PLAIN

PLAINS PETROLEUM CORPORATION LIMITED

PARTICIPATING PREFERENCE SHARES

Informational bulletin upon request to your broker or to the Company's head office—C.P.R. Building, Toronto, Ont.

J. E. GRASETT & CO.

Members The Toronto Stock Exchange

302 Bay St., Toronto
WAVERLEY 4781

Branch Office:
2822 Dundas St. at Heintzman Ave. JU. 1167

(No Personal Liability)
DOREVA GOLD MINES LIMITED
DOREVA
Bousquet Township, Quebec

CAPITAL

Authorized 4,000,000 shares Par Value $1.00 per share
Issued (as at October 28th, 1936) 1,991,355 shares

DIRECTORS AND OFFICERS

Carl Frederick Dietz, President
New York City

E. A. R. Newson, Secretary-Treasurer
Toronto, Ontario

Thos. J. Medland
Toronto, Ontario

E. J. Thompson
Rouyn, Quebec

Arthur A. Bull
Detroit, Michigan

J. H. Button
Toronto, Ontario

T. M. Pettigrew
Toronto and New York City

TRANSFER AGENTS
Guaranty Trust Company, Toronto.

CONSULTING MINING ENGINEER
Lewis A. Dunham, New York City

AUDITORS
Seburn-Ferguson & Baker, Toronto.

MINE MANAGER—A. V. Hannam

Doreva Gold Mines Limited was organized in 1936 under Part XI of the Companies Act (Ont.), to operate and develop a large group of claims acquired in Bousquet Township, in the Province of Quebec. The property of the Company consists of 68 claims, comprising a total of approximately 2,720 acres, lying almost in the centre of the Township of Bousquet, Province of Quebec. All property payments have been completed and the Company has no liabilities contingent or otherwise which have not been provided for by funds already in the Treasury.

GEOLOGY

Lewis A. Dunham, Mining Engineer, of New York, says of the geology: "The geology is most favorable, consisting of conglomerate and other sedimentaries in contact with greenstone, and deposition of blue quartz nearby, with signs of probable intrusive porphyry, all of which is substantially identical with that of the large mines to the East. This, together with the strength of veins and their mineralization, as well as the favorable position of the property, now covering so large an area on the main trend of the tremendous Cadillac ore zone, leave no doubt at all that Doreva is worthy of the strongest programme of development."

The property is well supplied with comfortable permanent camp buildings and all necessary surface machinery, including a diamond drill capable of core drilling 1,500 feet deep, oil driven portable compressor, air drills, tools, steel and all accessory equipment.

DEVELOPMENT WORK

Intensive development work has been carried on continuously since the Company's inception. A crew of forty men has been constantly at work stripping, trenching, diamond drilling and building camps. Roads and Trails have been cut and laid out between the camps and the various discoveries. Winter supplies have been sent in, and preparations completed for effective operation during the winter of 1936-1937.

As stated in report of Lewis A. Dunham, Consulting Engineer, under date of October, 1936, many showings of great importance have been opened up, carrying good mineralization, with veins of seven to twelve feet width. The trend is slightly north of east, the drift being slightly to the south. These showings are being fully prospected by diamond drill, stripping and trenching. The Company contemplates sinking a shaft to 1,000 feet, and up to 10,000 feet of drifting and crosscutting as soon as practicable.

The Company is well financed for its present programme of winter's work, and has no liabilities of a direct or contingent nature, which are not provided for by funds already in the treasury.

A. E. DAWSON & COMPANY

FEDERAL BUILDING, TORONTO, CANADA

Cables: "Noswad, Toronto". Telephones: Adelaide 6091-5.

A. E. DAWSON & COMPANY,
FEDERAL BLDG., TORONTO.

Please enter my order for ____________ shares of DOREVA, at the best market price. I enclose cheque for $ ____________ to apply on account and will adjust balance on receipt of confirmation.

DATE ____________

Name ____________

Address ____________

The Company having received payment or commitment to pay, the proceeds of this sale will not go into the Treasury of the Company whose securities are hereby sold to you.

A. E. DAWSON & COMPANY,
FEDERAL BLDG., TORONTO.

Please forward to me a copy of the prospectus of DOREVA GOLD MINES, LIMITED, and oblige.

Name ....

Address ....

DATE ....

Canada's Busiest Prober

He's Mr. Justice W. F. A. Turgeon of Saskatchewan—When Textile Enquiry Ends He Starts in on Another Grain Commission

By A. WILKINSON

Short in stature and lean of frame, but a giant in intellect and a model of old world courtesy.

This, in a sentence, describes the personality of Mr. Justice W. F. A. Turgeon of the Saskatchewan Court of Appeal who is shortly to start a tour of the Western provinces to conduct an enquiry into certain phases of the production and marketing of grain at the behest of the Federal Government.

Many Turgeon Commissions

Mr. Justice Turgeon is probably the busiest Royal Commissioner in Canada. When there's a tough nut in probes to be cracked His Lordship is usually called in.

He has sat probably on more important commissions than any man in the country. This coming grain enquiry is not the first time he has gone through the intricacies of the grain business. Eleven years ago he delved into it from all angles. He's been chairman of coal probes, university investigations and what not.

He's better known in the West than in the East though for the last few months he has been delving into the textile industry.

He goes back west when he finishes up this commission

Seldom is "News"

Mr. Justice Turgeon isn't good newspaper "copy." He goes about his work in a quiet way that seldom makes the headlines. It has been said he is "stand-offish," but not to those who know him well. On the contrary those who have contacts with him have nothing but affection for him.

Color has perhaps been lent to this false impression of aloofness because of his habit of ignoring friends and acquaintenances as he walks along the streets. The blame lies not in the heart, but in the eyes, for the judge is very short-sighted—the thick lenses of his glasses tell the story.

Years ago when Turgeon was attorney-general for Saskatchewan, he dropped his pince-nez on the snow-covered steps of the Parliament Buildings in Regina as he ascended the stairway for a day's work. Unable to find them, he was guided into the building and to his office. Ushers rushed to the scene of the accident, found the glasses intact and restored them to the incapacitated attorney-general. That's how important glasses are to Mr. Justice Turgeon.

When he was born in Bathurst, N.B., 59 years ago his parents named him William Ferdinand Alphonse, but this was soon shortened to W. F. A. He went to school in New York City and Laval University and after admission to the New Brunswick bar heard the call of Western Canada. Prince Albert was his destination where he became a partner of the late Mr. Justice Lamont, Saskatchewan's first attorney-general and later member of the Supreme Court of Canada.

HON. W. F. A. TURGEON

Young Turgeon hadn't been in Saskatchewan long when he felt the political urge. He ran as a Liberal in 1907 and as this political banner back in the early days of Saskatchewan meant certain election Turgeon became attorney-general. In 1908, a year after entering the Legislature, he ran in two Saskatchewan seats—lost in his home-town, Prince Albert, but was elected in Humboldt. He was never defeated again.

"Power Behind Throne"

During his long stay in the Legislature, Justice Turgeon wielded the greatest individual influence on the various cabinets. It was he who made the political bullets for others to fire.

Only Senator J. A. Calder, then a force in the Saskatchewan Government, equalled his political sagacity. The fact that Liberals remained in power for 25 years in the province was due largely to the ability of Turgeon.

Most of the important fundamental laws on the statute books were constructed by him or on his advice, though many amendments have since had to be passed to suit changing conditions.

The attorney-general of those days was also an acceptable personality to the occupants of the benches on the other side of the House. Many of them sought his advice on numerous occasions before introducing resolutions or making suggestions in the House and it was always understood that "Turgeon won't let you down."

Delivered "Temperance" Classic

Both in the Legislature when he was there, and outside, Mr. Justice Turgeon's oratorical ability is widely recognized. When he was attorney-general empty benches in the House rapidly filled up when it was known he was to make a contribution to a debate.

One of his best known efforts, a contribution on "Temperance" delivered in the post-war prohibition era, is regarded as a classic in the annals of the House, and possibly one of the finest examples of rhetoric ever heard in the chamber.

After it was all over nobody in the crowded galleries knew whether Turgeon was a prohibitionist or not, though it was currently conceded that he was not 100 per cent teetotal. But it was a fine speech and a splendid illustration of pure logic.

Turgeon is justly credited with a fine analytical brain, a great capacity for work and scholarship beyond the ordinary. It is the possession of these attributes which has led Provincial and Federal Governments to select him from time to time to head various commissions of enquiry.

With characteristic thoroughness, Mr. Justice Turgeon sifts to the very bottom the troubles he is called upon to investigate, is able to acquire an enormous mass of information, even though highly technical in character, can remember it all and weld it into a coherent mind picture from which he draws his conclusions and recommendations.

Always Courteous

All this is done without apparent effort.

As chairman of an enquiry Mr. Justice Turgeon never becomes testy or irritable, no matter how provocative the witnesses. With his assured courtliness and rapier-like mind he always dominates the situation, no matter how difficult.

There are those who remember the famous battle between Aaron Sapiro, wheat pooling advocate, and counsel for the Winnipeg Grain Exchange at a hearing of the Turgeon Grain Enquiry Commission in Winnipeg in 1925.

It was a case of "up and at 'em with unsheathed daggers" when the two lawyers faced one another. Innuendoes and epithets flew. The combatants glared. It looked like blows when Chairman Turgeon decided hostilities had gone far enough. With a sentence or two, quietly spoken, but carrying a shielded sting he terminated the tempest. The lions became lambs and the enquiry again pursued the even tenor of its way.

Reads Bible in Hebrew

Turgeon, of course, speaks French fluently—a family inheritance, and he can read the Bible in Hebrew. In fact, his knowledge of the Scriptures as well as the classics is a by-word among his friends. It is said that he reads some passages from the Bible every day, and in conversation with friends and acquaintances can conjure up an apt quotation on any subject at any time.

When Mr. Justice Turgeon has an idle moment he reads.

When he holidays he goes to France.

Sun Life Penny(wise)

W. S. Penny, New Director of Agencies, Climbs Insurance Ladder Apace

By KENNETH R. WILSON

Thirteen years ago Sun Life of Canada recalled from its Toronto office a young man who seven months before had been sent to the Queen City to sell insurance at the request of veteran John A Tory.

The young man was Stewart Penny. Though only in his thirties he had already to his credit nearly ten years of service with the company. He joined the actuarial department in 1913 (fresh from McGill) but war service in France, plus a few more years of mortality tables, convinced him his future lay with the field force rather than among permutations and combinations.

W. S. PENNY

The company brought him back to Montreal in 1923 because it needed some keen young men to understudy those who held key positions. Mr. Penny was one of the K.Y.M. He still is—as shown by the fact that the other day his company appointed him to the inner circle of its senior officials with the title Director of Agencies.

Stands For New Day

There is nothing very spectacular about this title—which is fitting because there is nothing very spectacular about W. S. Penny. This does not in any way dim the fact that his is one of the most responsible jobs in the life insurance world—that between four and five thousand agency men in over 40 countries of the world will call him boss.

It does not dim the fact that Agency Director Penny stands almost at the Great Divide of the life insurance business and typifies in his appearance, his ideas and his vision, the new day that seems to be dawning in agency underwriting methods on this continent.

For this week at Chicago before a group of contemporary agency officials from all parts of Canada and United States, Mr. Penny definitely turned his back on the old order of life insurance sales methods and declared his faith in a new order of things whereby insurance salesmanship is placed on a scientific, orderly and controlled basis; where salary plus commission replace the present methods of remuneration; where agency managers assume new responsibilities of control and direction.

"I believe our present system is faulty and that a plan somewhat along these lines will be the one in general use in the near future," he told the agency executives at Chicago.

Nothing Revolutionary

Mr. Penny has no illusions that this will be done overnight. He believes it will come about naturally as the insurance business realizes the waste and overlapping of existing sales machinery.

He feels a major drawback to change has been the extraordinary success that has attended life insurance under existing methods. But he believes new methods of merchandising and of remuneration will go hand-in-hand as life insurance moves forward to infinitely greater acceptance and usefulness in the next decade.

Poor Golfer

In appearance, Mr. Penny looks very much the sort of man one would expect Arthur B. Wood (president and managing director) to choose in tackling such a job. He is keen, clear-cut and seems well fitted in training and aptitude to assume the immense responsibilities of organization and administration that will be his.

He looks thoroughly athletic in build but says he has done very little along that line since he left McGill. After a long struggle he has decided he will always be a "dud" at golf so might as well settle down and enjoy the game. He does very little reading but likes detective stories.

Down the Manhole

He rather regrets that his life insurance training and experience has been confined entirely to one company, through prior to joining the Sun Life he spent considerable time in the North British and Mercantile office in Montreal. Another summer holiday job was the construction of Montreal's big aqueduct—a job which nearly spoiled Sun Life's chance of having W. S. Penny as their Director of Agencies.

What happened was that one day a steam shovel raised its ugly head so quickly that Stewart Penny lost his balance and toppled into a 25-foot manhole. And the manhole had eight feet of water at the bottom.

Digging him out proved a big task, but bad pennies invariably turn up and Sun Life eventually got their agency director.

Passion For Music

His great passion is music. All during the war he carried his gramophone with him and now whenever he travels he carries a portable radio to tune in on his favorite programmes. He likes all kinds of music and greatly regrets not being able to play himself.

He has had two portable radios already, both of which have been commandeered for home service by members of his family. He will be getting another one soon before he begins an agency inspection tour that will take him to England (for the first time), then through United States and Canada, and finally around the world to the company's far-flung agency outposts.

Mr. Penny made it clear to me last week that these advanced views of his in respect of agency matters are his own and not those of his company. He stresses this point particularly because he believes it may be a long slow path that must be travelled to achieve the goal—not only for his own company but in the business generally. Vast and highly successful methods of merchandising and remuneration cannot be easily changed overnight.

But it is difficult to think of this appointment not having been made unless Sun Life were willing and eager to bring about this new order of things in its sales work. And for that reason if for no other, the appointment of this forward-looking young agency executive after almost two decades of intensive training and education, is an event of considerable importance both to the Sun Life and to the life insurance business generally.

She Makes Hit In Ottawa Rôle

From Our Own Correspondent

—Photo by John Powis, Ottawa, Ont.

MRS. MARY SUTHERLAND

OTTAWA.—Mrs. Mary McCallum Sutherland, member of the National Employment Commission, convener of the Women's Employment Committee, who heads the Dominion drive to find work for Canada's jobless women, has been a revelation to the "mere men" of the capital.

In the field of economics, practical affairs, and just plain "horse sense" Mrs. Sutherland holds her place with any of her colleagues.

She has managed to acquire the detached logical approach of the best masculine thinking and yet retain all of her feminine charm.

She is the most effective stump-speaker of her sex this reporter has ever heard. She knows that "economics" really means "housekeeping" and when she is in the thick of a political campaign she talks about the cost of boots and shoes, the effect of tariffs on the price of oranges and the value of world markets in raising the weekly pay envelope.

Mrs. Sutherland has no "isms" or freak theories, so far as Ottawa has been able to discover. She doesn't believe that two and two make 5¼, and that a national dividend can be paid out of the surplus. She isn't a technocrat, nor an advocate of "velocity money" nor a bi-metallist.

She is old-fashioned enough to think that farming is a desirable occupation, that manual work is as noble as clerical work, and that it is possible to be happy without a university degree. She still believes that there is a place for individual enterprise, and that it is more desirable to look for work than to conclude without further enquiry that the state owes one a living.

Sees Flaws in System

Mrs. Sutherland thinks it is unfortunate that we keep on turning out two or three times as many teachers, nurses, stenographers and dietitians as are able to find work, while the scarcity of skilled domestics and industrial workers is so apparent. She blames our educational system and our false values for the disparity.

She has only had two sweeping cures for feminine unemployment offered her since she took over her present post. Both were duds.

The first suggestion was to enforce the ancient slogan about woman's place being in the home—the dismissal of all feminine employees and their replacement by male workers.

The other was the more modest plan of discharging all married women who are filling jobs.

Mrs. Sutherland would presumably have to lead the latter retreat herself. But she has no sympathy with that idea either, because she believes married women are more valuable in some occupations than single ones.

And that includes teachers, in spite of what the school trustees are doing everywhere.

Knows Women's Place

She realizes that you can't employ ten thousand women in one big road-building or housing project, and her plans for reabsorbing women into employment must be numerous and unspectacular.

She believes that sound principles applied to the national economy would soon restore prosperity and make her present job largely unnecessary.

She was born in Manitoba and has no love for high tariffs.

She knows all about a rural school.

She served her journalistic apprenticeship on the Regina Post and graduated to the Grain Growers Guide in 1917. On that vigorous champion of agriculture's rights she was associate editor for several years.

She was assistant secretary of the Canadian Council of Agriculture.

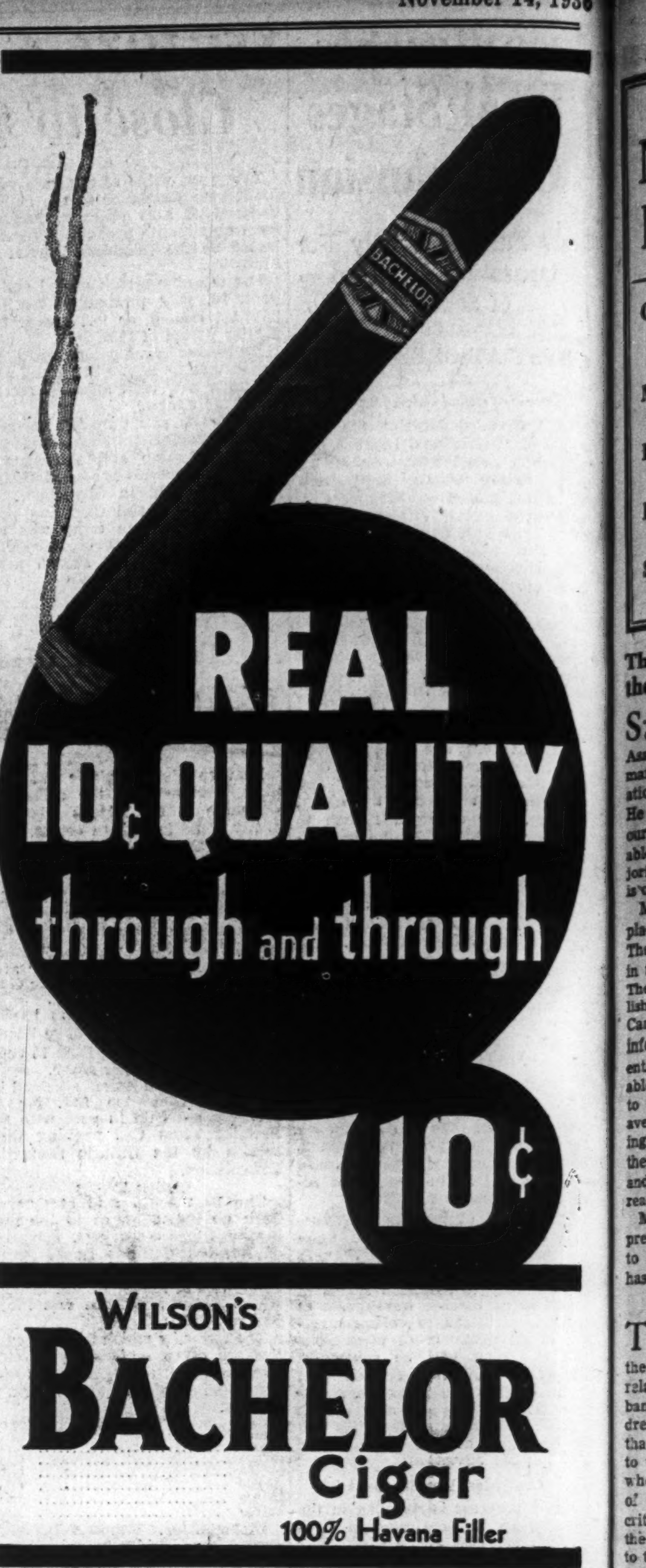
She has a musical voice.

She has three children: Josephine, Tommy, and Katherine Mary.

Dr. Sutherland, a graduate of Manitoba Medical College, is resident physician at Wells, B.C.

Maritime Fish Catch

September fish landings in the eastern division of Canada are reported by the Department of Fisheries at 57.6 million pounds with a landed value of $658,625 compared with 53.8 million pounds at $657,082 in September, 1935.



REAL 10¢ QUALITY through and through

10¢

WILSON'S BACHELOR Cigar

100% Havana Filler

CHARTERED ACCOUNTANTS

Robertson, Robinson, McCannell & Dick
CHARTERED ACCOUNTANTS
D. H. McCANNELL—Licensed Trustee in Bankruptcy
Sterling Tower, Toronto

RONALD, GRIGGS & CO.
Chartered Accountants
Winnipeg
Saskatoon

MILLAR, MACDONALD & CO.
CHARTERED ACCOUNTANTS
WINNIPEG MANITOBA

WILTON C. EDDIS & SONS
Established 1895
CHARTERED ACCOUNTANTS
Federal Building, Toronto

McDONALD CURRIE & CO.
CHARTERED ACCOUNTANTS
Montreal Toronto Quebec Ottawa

J. M. Dunwoody, C.A.
C. W. Nicholl, C.A. Thos. E. Saul, C.A.
DUNWOODY, NICHOLL, SAUL & CO.
CHARTERED ACCOUNTANTS
WINNIPEG, MANITOBA

T. A. GETTY
Chartered Accountant
Suite 302, Walter Scott Bldg.
Moose Jaw, Sask.

RUTHERFORD WILLIAMSON & CO.
CHARTERED ACCOUNTANTS
RUTHERFORD WILLIAMSON, F.C.A., HAROLD A. SHIACH, F.C.A.
TORONTO, MONTREAL
Licensed Trustees and Receivers
Rutherford Williamson, F.C.A. F. R. McCutcheon, C.A.

E. R. C. CLARKSON & SONS
Licensed Trustees and Receivers
CLARKSON, GORDON, DILWORTH & NASH
CHARTERED ACCOUNTANTS
15 Wellington Street West, Toronto
Toronto—Montreal—Ottawa

WM. ROBERTSON
Chartered Accountant
KITCHENER
Ontario

J. P. LANGLEY & CO.
C. P. ROBERTS, F.C.A.
Chartered Accountants
TORONTO
KIRKLAND LAKE
ONTARIO

Legal and Professional Directory

Pitblado, Hoskin, Grundy, Bennest and Drummond-Hay
Pitblado, Hoskin, Turner McEwen and Alsaker
Barristers, Solicitors, Etc.
Hamilton Building
WINNIPEG, CANADA

PEARSON, RUTLEDGE & DONALD
BARRISTERS, SOLICITORS, &c.
G. FRED PEARSON, K.C.
J. E. RUTLEDGE, K.C.
ROBERT T. DONALD, LL.B.
CABLE ADDRESS: "PEARSON," HALIFAX
Chronicle Building
Halifax, Nova Scotia

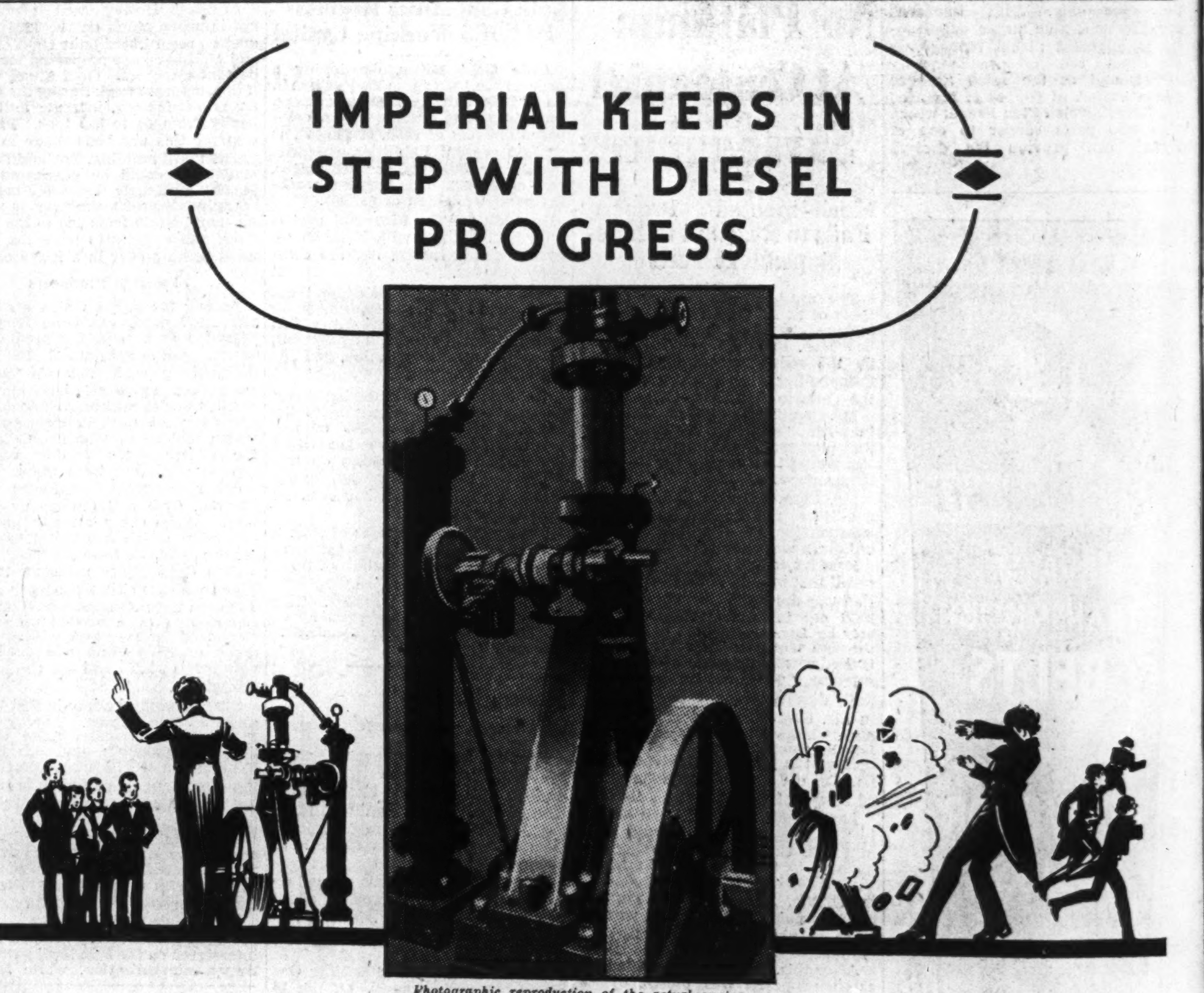
Victor A. Sinclair, K.C.
Formerly Chairman, Workmen's Compensation Board, Ontario.
Special attention Workmen's Compensation, Social Insurance, Life Insurance, Corporation and Commercial Law.
1503 Canada Permanent Bldg.,
TORONTO, CANADA

REID, WALLBRIDGE, GIBSON & SUTTON
Barristers, Solicitors, etc.
R. L. Reid, K.C. D. S. Wallbridge
J. G. Gibson W. A. Sutton
YORKSHIRE BUILDING
VANCOUVER, B.C.

INDUSTRIAL ENGINEERS

DUFRESNE, McLAGAN & ASSOCIATES
INDUSTRIAL AND MANAGEMENT CONSULTANTS
COST REDUCTION WAGE METHODS COST CONTROL
INDUSTRIAL COST ACCOUNTING PLANT AUDITS
BANK OF NOVA SCOTIA BUILDING MONTREAL
TORONTO MONTREAL QUEBEC

IMPERIAL KEEPS IN STEP WITH DIESEL PROGRESS



Photographic reproduction of the actual engine which Rudolph Diesel first built. It fired exactly once and the explosion wrecked the engine.

SINCE Dr. Diesel patented the first Diesel engine in 1892 great changes and improvements have taken place in Diesel design. These changes and improvements have been particularly rapid in recent years. Imperial Oil engineers have made it their job to keep in close touch with Diesel developments in order that Imperial DIESEL Fuels and Lubricants may play their part in efficient, economical operation.

The importance of proper fuels and lubricants is recognized by all Diesel manufacturers and Imperial Diesel products are approved by many leading Diesel makers. Take advantage of Imperial's experience and knowledge in this field. Use Imperial DIESEL Fuels and Lubricants in *your* Diesel equipment.

IMPERIAL PRODUCTS

IMPERIAL OIL LIMITED